



PALMDALE WATER DISTRICT

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Board of Directors

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LAGERLOF, SENECA, GOSNEY & KRUSE LLP
Attorneys



October 20, 2011

*Agenda for Regular Meeting
of the Board of Directors of the Palmdale Water District
to be held at the District's office at 2029 East Avenue Q, Palmdale
Wednesday, October 26, 2011
7:00 p.m.*

NOTE: To comply with the Americans with Disabilities Act, to participate in any Board meeting please contact Dawn Deans at 661-947-4111 x103 at least 48 hours prior to a Board meeting to inform us of your needs and to determine if accommodation is feasible.

Agenda item materials, as well as materials related to agenda items submitted after distribution of the agenda packets, are available for public review at the District's office located at 2029 East Avenue Q, Palmdale. Please call Dawn Deans at 661-947-4111 x103 for public review of materials.

PUBLIC COMMENT GUIDELINES: The prescribed time limit per speaker is three-minutes. Please refrain from public displays or outbursts such as unsolicited applause, comments, or cheering. Any disruptive activities that substantially interfere with the ability of the District to carry out its meeting will not be permitted and offenders will be requested to leave the meeting.

Each item on the agenda shall be deemed to include any appropriate motion, resolution, or ordinance to take action on any item.

- 1) Pledge of Allegiance.
- 2) Roll Call.
- 3) Adoption of Agenda.
- 4) Public comments for non-agenda items.
- 5) Presentations:
 - 5.1) Cash for Grass Rebates. (Water Conservation Supervisor Roberts)

- 6) Action Items - Consent Calendar (The public shall have an opportunity to comment on any action item as each item is considered by the Board of Directors prior to action being taken.)
 - 6.1) Approval of minutes of regular meeting held October 12, 2011.
 - 6.2) Payment of bills for October 26, 2011.
- 7) Action Items - Action Calendar (The public shall have an opportunity to comment on any action item as each item is considered by the Board of Directors prior to action being taken.)
 - 7.1) Consideration and possible action on Water Exchange/Banking Agreement between the Palmdale Water District and WDS California II, LLC. (Water & Energy Resources Manager Pernula/Water Supply & Reliability Committee)
 - 7.2) Presentation on repairs of water mains and update on water main replacement projects. (Facilities Manager Moore/Engineering Manager Knudson)
- 8) Information Items:
 - 8.1) Reports of Directors: Meetings/Committee Meetings/General Report.
 - 8.1.1) Director Godin: Finance Committee report summarizing District's financial status.
 - 8.2) Report of General Manager.
 - 8.3) Report of Attorney.
- 9) Public comment on closed session agenda matters.
- 10) Closed session under:
 - 10.1) Government Code Section 54956.9(a), existing litigation: *Antelope Valley Ground Water Cases*.
 - 10.2) Government Code Section 54956.9(a), existing litigation: *City of Palmdale vs. Palmdale Water District, Case No. BC413432 (Rate Litigation)*.
 - 10.3) Government Code Section 54956.9(a), existing litigation: *City of Palmdale vs. Palmdale Water District and Palmdale Water District Public Facilities Corporation, Case No. BC413907 (Validation Action)*.
 - 10.4) Government Code Section 54956.9(a), existing litigation: *Palmdale Water District vs. City of Palmdale, Case No. BC420492 (Recycled Water Litigation)*.
 - 10.5) Government Code Section 54956.9(a), existing litigation: *United States, et al. v. J-M Manufacturing Company, Inc., et al., United States District Court for the Central District of California Case No. ED CV06-0055-GW*.
 - 10.6) Government Code Section 54956.9(a), existing litigation: *Central Delta Water Agency vs. Department of Water Resources, Sacramento Superior Court Case No. 34-2010-80000561*.
 - 10.7) Government Code Section 54956.9(a), existing litigation: *Rosedale-Rio Bravo Water Storage District v. California Department of Water Resources, Sacramento Superior Court Case No. 34-2010-80000703*.

- 11) Public report of any action taken in closed session.
- 12) Board members' requests for future agenda items.
- 13) Adjournment.



DENNIS D. LaMOREAUX,
General Manager

DDL/dd

PALMDALE WATER DISTRICT BOARD MEMORANDUM

DATE: October 19, 2011 **October 26, 2011**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Jon M. Pernula, Water & Energy Resources Manager
VIA: Mr. Dennis D. LaMoreaux, General Manager
RE: *AGENDA ITEM NO. 7.1 – CONSIDERATION AND POSSIBLE ACTION
ON WATER EXCHANGE/BANKING AGREEMENT BETWEEN THE
PALMDALE WATER DISTRICT AND WDS CALIFORNIA II, LLC*

Recommendation:

Staff recommends approval of the Water Exchange/Banking Agreement between the Palmdale Water District (PWD) and WDS California II, LLC (WDS CA II).

Background:

PWD's 2011 State Water Project allocation of 80%, along with ample water supplies from Littlerock Dam this year, has provided the District with an abundance of water resource. In order to better manage this resource and capitalize on available supplies, staff desires to store our excess 2011 State Water Project water in ground water banks thereby minimizing the risk of spilling at San Luis Reservoir.

WDS CA II, through its partners, holds up to 50,000 AF of Storage Capacity in the Semitropic Rosamond Water Bank Authority (SRWBA) at the Antelope Valley Water Bank (AVWB) and Semitropic Stored Water Recovery Unit (SWRU) in the San Joaquin Valley. WDS CA II is willing to exchange a part of PWD's excess water supply for Storage Capacity in one or both of these water banks and wishes to enter into an agreement with PWD to take delivery of surplus water for storage and later beneficial use. Under the agreement, WDS CA II will return a portion of the water to PWD at a later date when it is needed to meet our demands. The remaining water will stay in the service area of the State Water Contractor (SWC) where it is delivered for banking. The leave behind water will be available for future use in the SWC service area in dry years.

The exchange must be facilitated through another State Water Contractor through which the exchange takes place. We have vetted this project through our Water Supply & Reliability Committee and also through the State Water Contractors Transfers Committee. We are now seeking to complete this agreement along with several subsequent agreements needed to accomplish this strategic management goal. The first

BOARD OF DIRECTORS
PALMDALE WATER DISTRICT
VIA: Mr. Dennis D. LaMoreaux, General Manager

October 19, 2011

step is for approval of this agreement and later to complete agreements with the Department of Water Resources, the Antelope Valley East Kern Water Agency, and Kern County Water Agency.

The mechanics of this program are set forth in the terms of the enclosed Agreement. The remaining agreements, which are to follow, will set forth the actual delivery and exchanges of the water between SWP contractors.

Strategic Plan Element:

The specific element of the Strategic Plan addressed is (Natural Resources Management) Strategic Goal 2.1 – Ensure Adequate Water Supplies for Existing and Future Customers.

Budget:

This Agreement will have no impact on the budget.

Supporting Documents:

- WDS CAII/PWD Water Exchange/Banking Agreement

WATER EXCHANGE AGREEMENT

THIS AGREEMENT is made and effective as of October __, 2011 by and between WDS California II, LLC (a California Limited Liability Company), ("WDS CA II"), and the Palmdale Water District, a California irrigation district organized and existing under the authority of Division 11 of the California Water Code ("PWD"), and is made with reference to the following facts:

A. Palmdale Water District ("PWD") holds a contract to receive water from the State Water Project (the "SWP"), and from time to time is allocated SWP water that is surplus to its immediate needs. In addition, PWD sometimes has access to other water supplies that are not needed to meet its then-current demands. However, on a long-term basis PWD is short of water and could benefit from exchanges that allow it to deliver excess or surplus water that is not immediately needed to third parties for storage, coupled with the right to recover that water when it is needed within PWD.

B. WDS CA II is also entitled to receive water from the SWP and it has a variety of facilities and programs that allow it to take delivery of water provided by other parties and return such water in subsequent years pursuant to a "Letter Agreement Establishing Right to Store Water in Semitropic-Rosamond Water Bank Authority Water Bank as a Lower Priority Banking Partner", dated May 5, 2011 ("SRWBA Agreement").

C. PWD and WDS CA II, wish to enter into a program that will allow PWD to deliver surplus water to WDS CA II for storage and beneficial use and allow WDS CA II to return a portion of the water to PWD at a later date when it is needed by PWD, all on the terms set forth in this Agreement.

THEREFORE, the parties agree as follows:

1. Delivery of Water.

(a) WDS CA II through its partners holds a lease for up to 50,000 AF of Storage Capacity in the Semitropic Rosamond Water Bank Authority ("SRWBA") at the Antelope Valley Water Bank ("AVWB") and Semitropic Stored Water Recovery Unit ("SWRU"). PWD would sublet up to 5,000 AF acre-feet (AF) of storage capacity, cumulatively, at one or both facilities, subject to the SRWBA Agreement.

(b) PWD will exchange water supplies with WDS CA II for Storage Capacity. PWD would deliver up to 10,000 AF to storage and, after storage losses, 50% of the water supplies would accrue to WDS CA II's account. Actual SWP conveyance Costs borne by PWD for delivering water exchanged for storage capacity to WDS CA II, at the point of delivery under this Agreement, including (if applicable) variable and off-aqueduct charges imposed on SWP water by the California Department of Water Resources ("DWR"), shall be paid by WDS CA II (amount determined prior to storage losses). WDS CA II shall pay a deposit of \$62,500.00 to PWD to cover its share of conveyance costs prior to commencement of delivery of water to

storage. Upon completion of delivery (based on actual water delivery quantities) the remaining balance of its proportionate share of the SWP conveyance costs shall be billed to WDS CA II. Payment of the remaining balance shall be made within 30 days of receipt of invoice.

(c) Subject to the terms and conditions of all necessary regulatory approvals and this Agreement, commencing on the effective date of this Agreement, PWD may from time to time deliver water to WDS CA II. WDS CA II shall accept delivery of such water, on a schedule reasonably approved by WDS CA II not less than 7 days prior to the delivery of such water. However, WDS CA II shall not be obligated to accept any water from PWD to the extent WDS CA II does not have capacity to do so as determined by WDS CA II in its sole discretion. Upon delivery to WDS CA II, such water shall be stored or used within the receiving Point of Delivery (POD) State Water Contractor's service area as WDS CA II determines.

(d) The point of delivery (POD) for water delivered to the Antelope Valley Water Bank (AVWB) will be the Antelope Valley East Kern Water Agency's ("AVEK") turnout at Reach 19 of the State Water Project ("SWP"). Water delivered to the Semitropic Stored Water Recovery Unit (SWRU), Semitropic's Reach 10A of the SWP.

2. Return Water.

(a) WDS CA II shall return to PWD an amount of water equal to the actual amount of water delivered by PWD to WDS CA II pursuant to Section 1 of this Agreement, minus 50% for storage capacity and a one-time storage loss (approximately 10-12% at AVWB and 10% at the SWRU), subject to the SRWBA Agreement ("Return Water").

(b) The point of delivery of Return Water to PWD shall be Reach 10A (SRWU) and/or at Reach 19 (AVEK Turnout) on the California Aqueduct. Such return shall be accomplished by WDS CA II, transferring to PWD the applicable portion of its SWP water supply. PWD shall make all necessary arrangements to transport Return Water to its SWP turnout on the California Aqueduct from Reach 10A (SRWU) and/or Reach 19 (AVEK Turnout), and PWD shall pay all costs of conveying such water from Reach 10A (SRWU) and/or Reach 19 to PWD's turnout at Reach 20B.

(c) Return Water shall be delivered by WDS CA II to PWD in any year on a schedule reasonably requested by PWD. If SWP supplies are inadequate to allow WDS CA II to make the return using SWP water, then WDS CA II will return water by pump-back means into the California Aqueduct. PWD shall pay the then-applicable energy costs to recover (pump-back) and convey water through Semitropic's system at the California Aqueduct Reach 10A and/or the West Feeder to the AVEK Turnout at the California Aqueduct (Reach 19)

3. Term; Return Timing. The term of this Agreement shall commence on the October X, 2011 and shall expire October X, 2021, unless renewed or extended under mutually agreeable terms and conditions. No water may be delivered by PWD to WDS CA II under this Agreement after the expiration of such term, and the parties shall use reasonable efforts to cause all Return

Water to be delivered to PWD during that term; provided, that if and to the extent PWD has timely requested Return Water and WDS CA II was unable to return same, then this Agreement shall be extended for any period necessary solely for the purpose of allowing PWD to receive any Return Water not returned within the original term or the parties shall negotiate a cash buy-out of PWD's interest in the unreturned stored water on such terms as the parties shall agree, and PWD shall thereafter have no interest in such Stored Water.

4. Storage Fees. WDS CA II's lease with the SRWBA requires that it pay fees of to PUT (\$30/AF) and TAKE (\$30/AF) water into/out of storage in the SRWBA and a \$5.40/YR/AF Participation Fee for water in storage. WDS CA II will pay to the SRWBA, on behalf of PWD and upon delivery of PWD's supplies into storage, the PUT, TAKE and two years of Participation Fees for storage of PWD's water supplies, totaling approximately \$70.80/AF. PWD will pay the \$5.40/YR/AF Participation Fee for water remaining in storage under this Agreement after the second year and for each year thereafter, which Fee shall be subject to adjustment in accordance with the SRWBA Agreement.

5. Records. Accurate records of all water delivered to WDS CA II and all water returned by WDS CA II to PWD shall be maintained by WDS CA II and PWD. All such records maintained by either party shall be available to the other party upon reasonable notice. A joint annual reconciliation of accounts shall be performed by both parties on or before December 31st of each year that this Agreement is in effect.

6. Approvals. Each action contemplated by this Agreement is expressly conditioned on the receipt of any necessary governmental consent or approval for that action and compliance with any applicable environmental laws. PWD shall be responsible for obtaining any required approval from the Department of Water Resources (DWR) and shall bear all costs regarding the same. WDS CA II shall be responsible for obtaining any required approvals from Kern County Water Agency (KCWA) and AVEK, and shall bear all costs regarding the same. Any and all other approvals shall be obtained through the joint efforts of the parties and the costs associated therewith shall be shared equally between the parties. The parties shall exercise diligent and timely pursuit of all necessary transfer approvals.

7. CEQA. In compliance with the requirements of the CEQA, PWD has prepared a draft Programmatic Environmental Impact Report (SCH #10101091) on its 2010 Strategic Water Resources Plan. Within the draft PEIR PWD has determined that the actions contemplated by this Agreement are consistent with the Strategic Water Resources Plan. Accordingly, PWD will not undertake further CEQA review of this document unless it subsequently determines such review is required. If PWD subsequently determines additional CEQA review is required, then CEQA costs shall be

equally split by WDS CA II (50%) and PWD (50%) up to a maximum of \$10,000 contribution by WDS CA II. PWD to act as lead agency. PWD represents and warrants that this exchange is exempt under the California Environmental Quality Act and a Notice of Exemption will be filed by PWD with the State Clearinghouse and in Los Angeles and Kern Counties.

8. Consultation. WDS CA II and PWD acknowledge that the actions contemplated by this Agreement will require regular consultation and coordination. WDS CA II and PWD shall in good faith engage in all such consultation and coordination necessary or appropriate to facilitate the arrangements contemplated by this Agreement.

9. Additional Actions. WDS CA II and PWD shall take such further actions and in good faith negotiate such further agreements as may be necessary in order to permit or facilitate the actions contemplated by this Agreement.

10. Attorneys' Fees. In the event of any action between WDS CA II and PWD seeking enforcement or interpretation of any of the provisions of this Agreement, the prevailing party in such action shall be awarded, in addition to damages, its reasonable costs and expenses, including without limitation actual out-of-pocket costs and attorneys' fees. In the event a third party challenges this Agreement or any of the provisions hereof, whether judicially or otherwise, WDS CA II and PWD shall assist one another without cost in connection therewith by providing information and witnesses as reasonably requested.

11. Waiver. Any waiver of the provisions of this Agreement by the party entitled to the benefits thereof as to any instance must be in writing and shall in no event be deemed a waiver of the same provision with respect to any other instance or a waiver of any other provision of this Agreement.

12. Notices. All notices or other communications given under this Agreement shall be effective upon personal or confirmed facsimile delivery, or three days after deposit in the United States mail, registered or certified, postage prepaid and addressed to the parties as follows:

If to WDS CA II: (WDS California II, LLC)
5700 Wilshire Blvd., Suite 330
Los Angeles, CA 90036
Attention: Andrew Werner
Telephone: (323) 936-9303
Facsimile: (323) 930-9114

If to PWD: Palmdale Water District
2029 East Ave. Q
Palmdale, CA 93550
Attention: Dennis LaMoreaux General Manager
Telephone: (661) 947-4111

Facsimile: (661) 947-8609

or to such other address(es) as either of the parties from time to time designate in writing. As a matter of convenience, however, communications between WDS CA II and PWD shall, to the extent feasible, be conducted orally by telephone or in person, with such communications to be confirmed and made effective in writing as set forth above. No oral notice or communication shall be effective unless so confirmed in writing.

13. Suspension of Agreement. Except as otherwise provided herein, all obligations of the parties under this Agreement shall be suspended so long as, and to the extent that, the performance thereof shall be prevented by earthquakes, fires, facility failures, floods, strikes, other casualties, acts of God, orders of court or governmental agencies having jurisdiction over the subject matter of this Agreement or other events or causes beyond the control of the parties. Neither party shall be deemed to have breached this Agreement if, despite that party's reasonable efforts, performance under this Agreement becomes impossible or impractical due to the action (or inaction) of a third party or for other reasons outside that party's control.

14. Binding Effect. This Agreement is intended to be and shall be binding upon and enforceable against each of the parties hereto. This Agreement shall be governed by and construed in accordance with the laws of the State of California and may be signed in any number of counterparts.

15. Entire Agreement. This Agreement contains the entire Agreement of the parties with respect to the subject matter hereof, and supersedes all prior Agreements and negotiations with respect thereto (whether verbal, written or otherwise), all of which are of no force or effect. This Agreement may not be modified or amended except in a writing executed by both parties.

17. No Precedent/Affect of Agreement. This Agreement shall not be precedent for any future agreement for other agreements either party may enter into in the future. The parties agree that this Agreement is for a voluntary exchange of water that would otherwise be beneficially used by the exchanging party in order to achieve a more efficient use thereof, consistent with the provisions of Water Code Sections 475 and 1244.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

WDS California II, LLC

By: _____
General Manager

Palmdale Water District

By: _____
General Manager

RE: *AGENDA ITEM NO. 7.2– PRESENTATION ON REPAIRS OF WATER MAINS AND UPDATE ON WATER MAIN REPLACEMENT PROJECTS.*

A Board memo and supporting documents for this item will be hand-delivered next week.

**MINUTES OF MEETING OF THE WATER SUPPLY & RELIABILITY COMMITTEE
OF THE PALMDALE WATER DISTRICT, SEPTEMBER 13, 2011:**

A meeting of the Water Supply & Reliability Committee of the Palmdale Water District was held Tuesday, September 13, 2011, at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District office. Chair Dexter called the meeting to order.

1) Roll Call.

Attendance:

Water Supply & Reliability Cmte:
Gordon Dexter, Chair
Jeff Storm, Committee
Member

Others Present:

Dennis LaMoreaux, General Manager
Jon Pernula, Water & Energy Resources Mngr.
Dawn Deans, Executive Assistant
0 members of the public

2) Adoption of Agenda.

It was moved by Committee Member Storm, seconded by Chair Dexter, and unanimously carried to adopt the agenda, as written.

3) Public Comments.

There were no public comments.

4) Action Items:

4.1) Consideration and Possible Action on Approval of Minutes of Meeting Held August 9, 2011.

It was moved by Committee Member Storm, seconded by Chair Dexter, and unanimously carried to approve the minutes of the meeting held August 9, 2011, as written.

4.2) Presentation of Monthly Water Demand and Supply Status. (Water & Energy Resources Manager Pernula)

Water & Energy Resources Manager Pernula reviewed the water demand graphs and charts included with the agenda packet and then informed the Committee that production is curving downwards, production and consumption are under the five-year average, water sales were close to projections for August, water use is trending towards

the 60/40 surface water/groundwater split, and there is water available for banking from State Water Project reserves.

4.3) Status Report on Water Treatment and Transportation Agreement Between Palmdale Water District and Antelope Valley East Kern Water Agency – Acton Water Treatment Plant. (Engineering Manager Knudson)

General Manager LaMoreaux informed the Committee that the Antelope Valley East Kern Water Agency has issued a negative declaration for the work under this Agreement and that the conceptual plan and layout is expected to be submitted for District approval within the next few weeks.

4.4) Status Report on Natural Solutions, Inc. Soil Bio-Remediation Pilot Program With Antelope Valley Union High School District. (General Manager LaMoreaux)

General Manager LaMoreaux informed the Committee that he met with representatives from the Antelope Valley Union High School District regarding the use of Natural Solutions products on Knight Field to help reduce water use; that the previous Natural Solutions pilot project was not working due to poor coordination; that it was determined to aerate Knight Field four times per year with soil amendments added each time; and that Natural Solutions and Antelope Valley Union School District representatives will now coordinate directly on the pilot project with the District's only role being to cover minimal bills from Natural Solutions.

It was then discussed that it may take as long as a year to see any benefit from this pilot project.

5) Project Updates.

5.1) Recycled Water Master Plan. (Water & Energy Resources Manager Pernula)

Water & Energy Resources Manager Pernula stated that there are no updates to report on this item.

5.2) Strategic Water Resources Plan. (Water & Energy Resources Manager Pernula)

Water & Energy Resources Manager Pernula stated that the Programmatic Environmental Impact Report for the Strategic Water Resources Plan is now in its 45-day public review period; that a public meeting was held at the District on August 31 with no members of the public attending; and that, to date, no public comments have been received.

5.3) Water Purchase Opportunities. (Water & Energy Resources Manager Pernula)

Water & Energy Resources Manager Pernula stated that he is meeting with Butte County this month and is working on development of other water purchase opportunities.

5.4) Garden Bar Water Supply and Power Project. (Water & Energy Resources Manager Pernula)

Water & Energy Resources Manager Pernula stated that a conference call was held this morning regarding this Project; that Castaic Lake Water Agency announced they will no longer participate in this Project; that the current Memorandum of Understanding and costs on the Reconnaissance Study are being completed; that additional tasks include water rights applications and development of a new Memorandum of Understanding; that this project is currently on hold as a northern California partner for the project is pursued; and that the District's decision on whether or not to continue its participation in this Project will need to be discussed.

6) Information Items.

General Manager LaMoreaux informed the Committee that a shift was made today towards more groundwater production and less surface water use; that this shift will be made gradually to avoid any shocks to the system; and that this shift will be made prior to the start of construction on the 9th Street water main replacement project.

Committee Member Storm inquired about Palmdale Lake turbidity resulting from the recent storm after which General Manager LaMoreaux informed the Committee that

no sediment entered Palmdale Lake, and the Lake is fine; that the diversion ditch worked as designed catching sediments up to three feet in places with some water going through the spillways for the ditch; but that the Water Treatment Plant itself experienced water running through the buildings, staff is currently assessing any damage and making repairs, and a full report on this incident will be included with the monthly Department Status Report.

There were no further additional information items to discuss.

7) Public Comments on Closed Session Agenda Matters.

There were no public comments on closed session agenda matters.

8) Closed Session Under Government Code Section 54956.8 – Conference With Real Property Negotiator:

Subject: Water Storage Rights

Property Negotiator: Dennis LaMoreaux, Jon Pernula

Negotiating Party: Homer, LLC

Under Negotiations: Price and Terms.

At 5:38 p.m., Chair Dexter called for a closed session pursuant to Government Code Section 54956.8 – Conference With Real Property Negotiator - Subject: Water Storage Rights; Property Negotiator: Dennis LaMoreaux, Jon Pernula; Negotiating Party: Homer, LLC; Under Negotiations: Price and Terms. He reconvened the Committee meeting at 5:48 p.m.

9) Public Report of Any Action Taken in Closed Session.

Chair Dexter reported that a closed session had been held under Government Code Section 54956.8 – Conference With Real Property Negotiator - Subject: Water Storage Rights; Property Negotiator: Dennis LaMoreaux, Jon Pernula; Negotiating Party: Homer, LLC; Under Negotiations: Price and Terms and that no action reportable under the Brown Act was taken in closed session on this matter.

10) Board Members' Requests for Future Agenda Items.

There were no requests for future agenda items.

SEPTEMBER 13, 2011
WATER SUPPLY & RELIABILITY
COMMITTEE MEETING

The next Water Supply & Reliability Committee meeting will be held October 11, 2011 at 5:15 p.m.

11) **Adjournment.**

There being no further business to come before the Water Supply Committee, the meeting was adjourned.



Chair

MINUTES OF REGULAR MEETING OF THE COMMISSIONERS OF THE ANTELOPE VALLEY STATE WATER CONTRACTORS ASSOCIATION, SEPTEMBER 15, 2011.

A regular meeting of the Commissioners of the Antelope Valley State Water Contractors Association was held Thursday, September 15, 2011, at the Palmdale Water District at 2029 East Avenue Q, Palmdale. Chair Godin called the meeting to order.

1) Pledge of Allegiance.

At the request of Chair Godin, Commissioner Thibault led the pledge of allegiance.

2) Roll Call.

Attendance:

Linda Godin, Chair
Andy Rutledge, Secretary
Leo Thibault, Treasurer-Auditor
George Lane, Commissioner
Barbara Hogan, Commissioner

Others Present:

Tom Barnes, Controller
Brad Bones, LCID General Manager
Dave Rizzo, AVEK Alt. Commissioner
Dawn Deans, Executive Assistant
2 members of the public

Gordon Dexter, Vice Chair --
EXCUSED ABSENCE

3) Public Comments for Items Not on the Agenda.

There were no public comments.

4) Approval of Minutes of Regular Meeting Held August 18, 2011.

It was moved by Commissioner Rutledge, seconded by Commissioner Hogan, and unanimously carried to approve the minutes of the regular meeting held August 18, 2011, as written.

5) Payment of Bills.

Commissioner Thibault reviewed the bills received for payment and then moved to pay the bills received from PWD in the amount of \$786.54 for staff services; AVEK in the amounts of \$1,128.75 and \$677.25 for staff services; and IES in the

amount of \$976.50 for the design and development of the web site. The motion was seconded by Commissioner Rutledge and unanimously carried.

6) Consideration and Possible Action on Separate Bank Accounts for Grant Funds. (Interim General Manager Knudson)

After a brief discussion of creating separate bank accounts for grant funds managed by the Association and the agreement for the Association managing these funds, it was moved by Commissioner Thibault, seconded by Commissioner Hogan, and unanimously carried to authorize staff to establish separate accounts for management of grant funds provided there is no agreement to prevent the creation of separate accounts and Interim General Manager Knudson provide a report at the next meeting on the Association's agreement for managing grant funds.

7) Consideration and Possible Action on Agency Interest in Funding a Feasibility Study for Development of a Joint Recharge/Water Banking Project on the East Side of the Antelope Valley. (Interim General Manager Knudson)

8) Report of Interim General Manager.

a) Status Report on Regional Control of Water From the State Water Project.

Controller Barnes stated that a meeting will be scheduled with Association staff and the member agencies' General Managers to discuss the Association's approach with the Department of Water Resources regarding point of delivery agreements and regional control of water from the State Water Project as the first step towards joint water banking projects; that joint recharge projects will be easier once this is established; and that an update will be provided at the next meeting.

Commissioner Lane then recommended the Commissioners discuss this concept with their respective Boards.

Commissioner Thibault stated that LCID is anxious to move forward with this concept and Attorney Lemieux has indicated he can help this more forward, and after a brief discussion, it was determined that Association staff and the member agencies' General Manager's meet as proposed by Controller Barnes; that Attorney Lemieux then be contacted for assistance in moving forward with this concept; and that Attorney Lemieux attend the next Association meeting to provide input on this concept.

It was then determined that Agenda Item No.'s 7 and 8a be combined for future meetings.

8) Report of Interim General Manager.

b) Status Report on Prop. 84 Planning Grant Funding for IRWMP.

Controller Barnes stated that the IRWMP plan must be updated every two years; that the region has been awarded grant funding for this work; and that staff anticipates receipt of the commitment letter and funding agreement for the Association's management of these funds for consideration by the Commissioners at the next regular meeting.

9) Report of Controller.

a) Status Report on the AVSWCA Website.

Controller Barnes reported that staff is working with IES to develop the Association's website; that a mock-up will be presented for the Commissioner's review and comment at the next meeting; and then requested input from the Commissioners on design concepts.

10) Reports of Commissioners.

Commissioner Thibault reported that he read the recent water purveyor's ads in the Antelope Valley Press and their point is difficult to figure out; that the A.V. Press reporter did a good job on the recent article about the Association's recharge efforts but his concern is for the Commissioners to remain vague on specific sites for these types of projects; and then thanked AVEK for their booth at the Antelope Valley Fair, and he appreciates their mention of all agencies followed by discussion of the booth's location and the public relations aspect of the booth.

There were no further reports of Commissioners.

11) Commission Members' Requests for Future Agenda Items.

Commissioner Lane requested an item be placed on the next agenda for a status update on scheduling a tour of Sanitation District facilities after which Controller Barnes informed the Commissioners that the Sanitation Districts will provide tours to outside agencies after their Directors have toured the facilities.

Chair Godin stated that "Consideration and possible action on regional control of water from the State Water Project and agency interest in funding a feasibility study for development of a joint recharge/water banking project on the east side of the Antelope Valley" and "Status report on separate bank accounts for grant funds and the Association's agreement for managing grant funds" and "Status report on Prop. 84 Planning Grant Funding for IRWMP and public relations aspects for grant funding" and "Status report on the AVSWCA web site" will be placed on the next agenda for consideration.

There were no further requests for future agenda items.

12) Consideration and Possible Action on Scheduling the Next Association Meeting.

It was determined that the next regular meeting of the Association will tentatively be held October 13, 2011 at 6:30 p.m. at PWD subject to receipt of the commitment letter and funding agreement for the IRWMP planning grant funding.

13) Adjournment.

There being no further business to come before the Commissioners, the regular meeting of the Commissioners of the Antelope Valley State Water Contractors Association was adjourned.


Secretary

PALMDALE WATER DISTRICT

BOARD MEMORANDUM

DATE: October 19, 2011 October 24, 2011
TO: FINANCE COMMITTEE Finance Committee Meeting
FROM: Mr. Bob Egan, Financial Advisor
RE: *AGENDA ITEM NO. 4.2 – DISCUSSION OF STATUS REPORT ON
CASH REPORT AT September 31, 2011 AND CASH FLOW REPORT
THROUGH DECEMBER 31, 2011 and 2012*

Attached are a cash report and pie chart for September 30, 2011 and a cash flow report for the period of December, 2010 through December, 2011 and 2012. It is necessary to focus on 2012 now as part of the budget process.

Several items of note:

August water sales were comparable to last August. September through December water sale projections have been decreased based on the trends to date. Projected ending cash is just over \$7 million.

Please note that \$1.7 million of District cash is restricted as a one year reserve for the 1998 bonds. It is not available for operations. Operating cash at September 30 is \$4.61 million, the first time this number has fallen below \$5 million in decades. A covenant of the 1998 bond issue is a district pledge to keep \$5 million in reserve for self insurance on the Littlerock Dam. Since operating funds have always been above that number the District has technically been in compliance.

In September we received \$312,065 related to the Palmdale Redevelopment Agency. This is less than last years \$445,000 but more than many prior years. This amount and its receipt is an unknown until received. Also, the AVEK expected amount of \$686,848 was received last month.

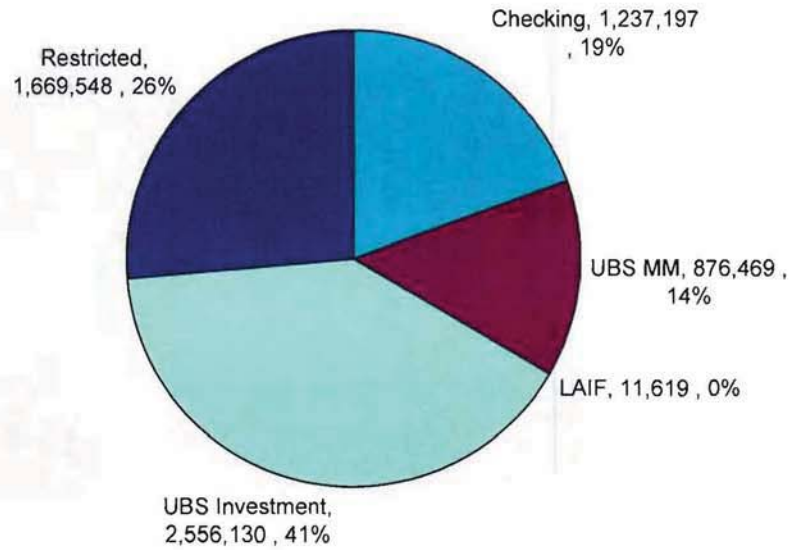
The cash flow through December, 2011 projects operating expenses and operating revenues at a near break-even.. The original 2011 cash flow report expected operating revenues to exceed operating expenses by over \$2 million, similar to 2010. Annually the District must pay \$3.6 million in bond interest and principal. This must be covered by operations as it is in any business. This can be accomplished going forward by a combination of rate increases and cuts in operating expenses or cash will be virtually depleted. This is evidenced by the 2012 and 2013 projections previously presented to the Committee.

PALMDALE WATER DISTRICT
INVESTMENT FUNDS REPORT

September 30, 2011						September-11 VALUE	August-11 VALUE
Citizens/US Bank - Checking						1,106,169.16	323,953.39
Citizens- Merchant						127,327.37	63,524.72
				Bank cash		1,233,496.53	387,478.11
PETTY CASH						300.00	300.00
CASH ON HAND						3,400.00	3,400.00
TOTAL CASH						1,237,196.53	391,178.11
INTS							
UBS ACCOUNT SS 11469 GG							
UBS RMA Government Portfolio						0.00	2,314,180.65
UBS Bank USA Dep acct						161,648.02	250,000.00
						161,648.02	2,564,180.65
UBS ACCOUNT SS 11475 GG							
UBS Bank USA Dep acct						714,821.10	27,970.26
UBS RMA Government Portfolio						0.00	0.00
						714,821.10	27,970.26
LAIF						11,618.98	11,618.98
UBS ACCOUNT SS 11432 GG							
UBS Bank USA Dep acct						0.00	0.00
UBS RMA Government Portfolio						93,589.75	93,588.85
Accrued interest						26,043.09	20,275.40
US GOVERNMENT SECURITIES:							
	ISSUE DATE	ISSUER	EXPIR DATE	RATE	PAR	MARKET VALUE	MARKET VALUE
		FNMA	04/11/12	5.375	500,000	511,455.00	513,845.00
		FHLB	01/20/15	3.00	500,000	503,330.00	504,360.00
		FHLB	04/16/15	2.90	400,000	404,892.00	405,780.00
		FHLB	10/26/15	1.625	500,000	512,745.00	514,905.00
		FNMA	07/27/16	2.00	500,000	504,075.00	504,175.00
					2,400,000.00	2,436,497.00	2,443,065.00
TOTAL MANAGED ACCOUNT						2,556,129.84	2,556,929.25
TOTAL INVESTMENTS						3,444,217.94	5,160,699.14
TOTAL UNRESTRICTED CASH						4,681,414.47	5,551,877.25
ED CASH							
1998 Debt Reserve Fund							
FHLB par 1.4Mil matures 10/18/13 3.625% interest						1,489,838.00	1,495,256.00
Federated Treasury Obligation MM						156,731.67	156,731.67
Accrued interest						22,978.47	18,749.30
TOTAL Restricted CASH						1,669,548.14	1,670,736.97
GRAND TOTAL CASH AND RESTRICTED CASH						6,350,962.61	7,222,614.22
		Checking		1,237,197			
		UBS MM		876,469			
		LAIF		11,619			
		UBS Investment		2,556,130			
		Restricted		1,669,548			
		Total		6,350,963			

PALMDALE WATER DISTRICT
INVESTMENT FUNDS REPORT

September 30 2011 cash



REVISED 10 19 11	2011 January	2011 February	2011 March	2011 April	2011 May	2011 June	2011 July	2011 August	2011 September	2011 October	2011 November	2011 December	YTD
Water Sales	1,459,054	1,489,425	1,420,826	1,519,930	1,638,144	1,876,045	2,099,158	2,384,486	2,307,915	1,925,000	1,585,000	1,522,500	21,227,483
	1,459,054	1,489,425	1,420,826	1,519,930	1,638,144	1,876,045	2,099,158	2,384,486	2,307,915	1,925,000	1,585,000	1,522,500	
Beginning Balance	8,162,970	8,838,774	8,297,207	6,943,401	8,069,745	8,131,725	8,013,331	7,522,761	7,222,615	6,350,963	5,942,962	5,786,896	
Water Receipts	2,084,416	1,459,787	1,821,013	1,304,799	1,590,858	1,780,885	2,009,913	2,270,355	2,338,543	2,078,166	1,721,000	1,547,500	22,007,234
Other													
Total Operating Revenue	2,084,416	1,459,787	1,821,013	1,304,799	1,590,858	1,780,885	2,009,913	2,270,355	2,338,543	2,078,166	1,721,000	1,547,500	
Operating Expenses:													
Total Operating Expenses	1,750,319	1,953,541	1,688,453	1,627,314	1,635,685	1,690,346	2,114,887	2,210,427	1,546,460	1,870,300	1,547,300	1,569,600	21,204,632
													22,851
Non-Operating Revenue Expenses:													
Assessments, net	507,568	154,799	6,585	1,597,302	252,354	8,694	225,057	122,827	686,848	0	125,100	1,700,000	4,700,286
Special Avek CIF Payment													686,848
Interest	10	10	10	23,950	21,335	580	9,761	21,854	0	4,000	4,000	4,000	89,510
Grant Re-imbursement				76,200			29,562						105,762
Capital Improvement Fees	492,317	0	0	11,955			27,960						532,232
													0
DWR Refund	17,417			97,557	23,194	0	591,517						729,695
Other /Palmdale Redevel Agency	20,607	(1,363)	27,474	23,277	7,966	2,937	10,935	8,276	312,065				412,174
Total Non-Operating Revenues	1,037,919	153,446	34,069	1,830,251	304,849	12,211	894,792	152,957	988,913	4,000	129,100	1,704,000	7,256,507
Capital Expenditures	(215,396)	(97,151)	(159,142)	(277,284)	(93,934)	(117,036)	(115,187)	(145,801)	(58,286)	(228,000)	(307,000)	(258,000)	(2,072,217)
Deposit refunds													
SWP Capitalized	(586,624)	(104,108)	(131,379)	(104,108)	(104,108)	(104,108)	(586,620)	(104,107)	(154,031)	(104,107)	(104,106)	(104,106)	(160,000)
Prepaid Insurance (paid) refunded	105,808		2,658					(244,240)					(2,291,512)
Bond Payments Interest			(1,232,571)						(1,232,571)				(135,774)
Principal									(1,170,000)				(2,465,142)
System Work for AVEK													(1,170,000)
5,000 AF banked Water													0
Capital leases										(240,000)			(240,000)
Legal adjudication fees										(7,760)	(7,760)	(7,760)	(61,329)
													(567,175)
Total Cash Ending Balance	8,838,774	8,297,207	6,943,401	8,069,745	8,131,725	8,013,331	7,522,761	7,222,615	6,350,963	5,942,962	5,786,896	7,058,930	(823,714)

REVISED 10 19 11	2012 January	2012 February	2012 March	2012 April	2012 May	2012 June	2012 July	2012 August	2012 September	2012 October	2012 November	2012 December	YTD
Water Sales	1,515,000	1,500,000	1,595,000	1,520,000	1,639,000	1,876,000	2,200,000	2,384,000	2,308,000	2,000,000	1,660,000	1,597,500	21,794,500
	1,515,000	1,500,000	1,595,000	1,520,000	1,639,000	1,876,000	2,200,000	2,384,000	2,308,000	2,000,000	1,660,000	1,597,500	
Beginning Balance	7,058,930	6,340,754	5,306,840	3,338,485	4,702,535	4,495,523	4,255,407	3,818,051	3,851,842	1,830,182	1,930,067	2,149,359	
Water Receipts	1,518,000	1,506,000	1,557,000	1,550,000	1,591,400	1,781,200	2,070,400	2,310,400	2,338,400	2,123,200	1,796,000	1,622,500	21,764,500
Other													
Total Operating Revenue	1,518,000	1,506,000	1,557,000	1,550,000	1,591,400	1,781,200	2,070,400	2,310,400	2,338,400	2,123,200	1,796,000	1,622,500	
Operating Expenses:													
Total Operating Expenses	1,750,000	1,954,000	1,792,000	1,897,000	1,840,000	1,700,000	2,115,000	2,210,000	1,550,000	1,870,000	1,547,300	1,570,000	21,395,300
Non-Operating Revenue Expenses:													
Assessments, net	561,710	686,848	42,091	1,882,367	162,904	0	249,046	143,706			123,906	1,765,715	5,000,000
Special Avek CIF Payment		686,848											686,848
Interest	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000
Grant Re-imbursement		0											0
Capital Improvement Fees	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	120,000
DWR Refund													0
Other /Palmdale Redevel Agency													0
Total Non-Operating Revenues	576,710	770,403	57,091	1,897,367	177,904	15,000	284,046	158,706	15,000	15,000	138,906	1,780,715	5,866,848
Capital Expenditures	(433,000)	(388,000)	(325,000)	(218,000)	(168,000)	(168,000)	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)	(1,700,000)
Deposit refunds	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)	(480,000)
SWP Capitalized	(572,228)	(110,659)	(135,692)	(110,659)	(110,658)	(110,658)	(599,144)	(110,657)	(140,306)	(110,657)	(110,656)	(110,656)	(2,332,630)
Prepaid Insurance (paid) refunded			(65,000)					(257,000)					(322,000)
Bond Payments Interest			(1,207,096)						(1,207,096)				(2,414,192)
Principal									(1,220,000)				(1,220,000)
System Work for AVEK		(300,000)											(300,000)
5,000 AF banked Water													0
Capital leases	(17,658)	(17,658)	(17,658)	(17,658)	(17,658)	(17,658)	(17,658)	(17,658)	(17,658)	(17,658)	(17,658)	(17,658)	(211,896)
Legal adjudication fees		(500,000)											(500,000)
													0
Total Cash Ending Balance	6,340,754	5,306,840	3,338,485	4,702,535	4,495,523	4,255,407	3,818,051	3,651,842	1,830,182	1,830,067	2,149,359	3,814,280	(2,651,518)

PALMDALE WATER DISTRICT BOARD MEMORANDUM

DATE: October 19, 2011
TO: Finance Committee
FROM: Michael Williams, Finance Manager/CFO
VIA: Mr. Dennis LaMoreaux, General Manager
RE: *AGENDA ITEM NO. 4.3 - STATUS REPORT ON FINANCIAL STATEMENTS AND DEPARTMENTAL BUDGET REPORTS FOR SEPTEMBER, 2011*

October 19, 2011
Committee Meeting

Discussion:

Presented here are Balance Sheet and Profit/Loss Statement for the period ending September 30, 2011. Also included are Year-To-Year Comparisons and Month-To-Month Revenue Analysis and Expense Analysis for the month of September. Finally, I have provided individual departmental budget reports through the month of September, 2011.

With nine months of the budget year complete, percentages should be at or below 75%. I have reviewed the statements and highlighted areas/items for discussion.

Profit/Loss Statement:

- Our operating revenue is at 70% of budget and operating expense is at 64.5% of budget. Review of strictly cash operations, our revenue exceeds expenditures by \$2.3 million. (YTD \$16,375,404-\$14,041,448)
- Administration Department will end the year over budget due to the groundwater adjudication.
- Water purchases and water recovery continue to be outside projections due to continued adjustments in invoicing by the state.
- Capital Improvement Fees are approximately \$1 million over budget due to unexpected projects.

Year-To-Year Comparison P&L:

- Total operating revenue is up by 1.3%, or \$30,500, due mainly to increased collection activity.
- Operating expenditures are down by 57%, or \$1.6 million, due mainly to water purchases and departmental operations.
- Page 8 of water consumption graphs show units billed were down 6.7%, and the number of active connections are up by 1%.
- Page 8 of water consumption graphs shows total revenue per unit is up 8.7%, and total revenue per connection is up .3%.

PALMDALE WATER DISTRICT
FINANCE COMMITTEE

VIA: Mr. Dennis D. LaMoreaux, General Manager

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October 19, 2011

Revenue Analysis Year-To-Date:

- Operating Revenue is up by 1.3%, or \$214,500, with YTD water sales ahead by \$56,000.
- Total revenue is down by 1.2%, or \$260,000, which is the result of this year's capital improvement fees offsetting last year's property sales.

Expense Analysis Year-To-Date:

- Cash operating expenses are down 35%, or \$4.9 million, and total expenses are down 16%, or \$3.7 million. This is due primarily to departmental operations and adjustments to invoicing by the state related to the State Water Project.

Departments:

- Pages 14 through 22 are detailed budgets of each department. There is nothing significant to point out except the groundwater adjudication line item in Administration Department. Most departments are operating at or below the nine month target for the year.

Non-Cash Definitions

Depreciation: This is the spreading of the total expense of a capital asset over the expected life of that asset.

OPEB Accrual Expense: Other Post Employment Benefits (OPEB) is the recognized annual required contribution to the benefit. The amount is actuarially determined in accordance with the parameters of GASB 45. The amount represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year.

Bad Debt: The uncollectible accounts receivable that has been written off.

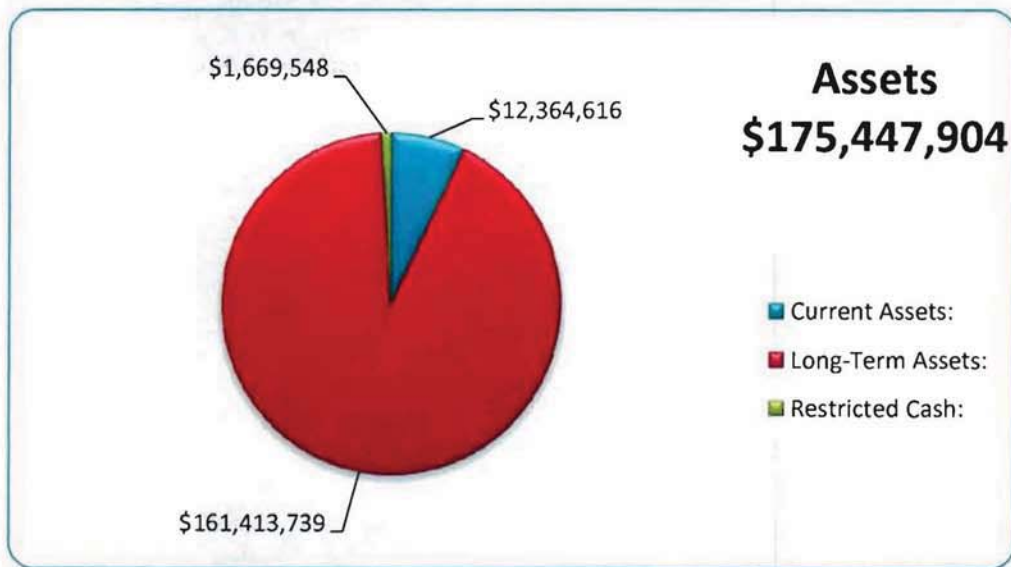
Service Cost Construction: The value of material, parts & supplies from inventory used to construct, repair and maintain our asset infrastructure.

Capitalized Construction: The value of our labor force used to construct our asset infrastructure.

Palmdale Water District
Balance Sheet Report
For the Nine Months Ending September 30, 2011

	<u>Year-to-Date 2011</u>
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 1,237,197
Investments	3,444,218
Market Adjustment	-
	<u>\$ 4,681,414</u>
Receivables:	
Accounts Receivables - Water Sales	\$ 2,350,130
Accounts Receivables - Miscellaneous	60,811
Allowance for Uncollected Accounts	(371,739)
	<u>\$ 2,039,201</u>
Interest Receivable	\$ -
Assessments Receivables	4,698,553
Meters, Materials and Supplies	675,758
Prepaid Expenses	269,690
Total Current Assets	\$ 12,364,616
Long-Term Assets:	
Property, Plant, and Equipment, net	\$ 125,740,428
Participation Rights in State Water Project, net	34,959,680
Bond Issuance Cost, Net	713,631
	<u>\$ 161,413,739</u>
Restricted Cash:	
Debt Reserve Fund - 1998 Bonds	\$ 1,669,548
Rate Stabilization Fund	-
Installment Payment Account - 2004 Bonds	-
Installment Payment Account - 1998 Bonds	-
	<u>\$ 1,669,548</u>
Total Long-Term Assets & Restricted Cash	\$ 163,083,288
Total Assets	<u>\$ 175,447,904</u>
LIABILITIES AND DISTRICT EQUITY	
Current Liabilities:	
Current Interest Installment of Long-term Debt	\$ 4
Current Principal Installment of Long-term Debt	1,170,000
Accounts Payable and Accrued Expenses	4,723,666
OPEB Liability	3,932,026
Deferred Assessments	2,999,994
Total Current Liabilities	\$ 12,825,690
Long-Term Debt:	
1998 - Certificates of Participation	\$ 11,806,631
2004 - Certificates of Participation	35,822,055
Total Liabilities	\$ 60,454,376
District Equity	
Revenue from Operations	\$ (1,142,935)
Retained Earnings	116,136,463
Total Liabilities and District Equity	<u>\$ 175,447,904</u>

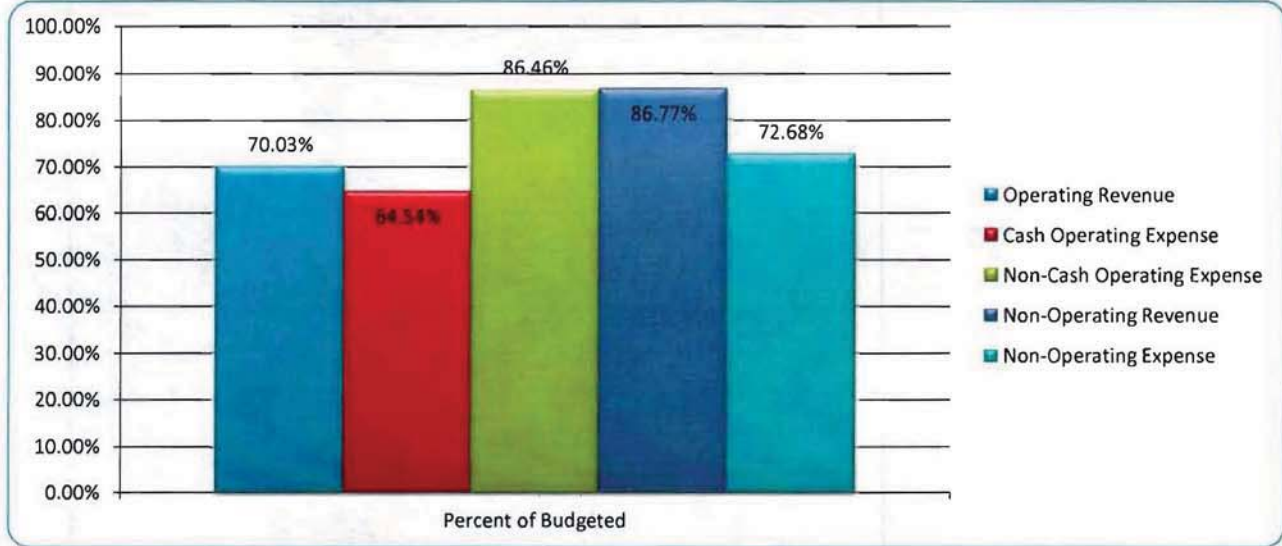
BALANCE SHEET AS OF SEPTEMBER 30, 2011



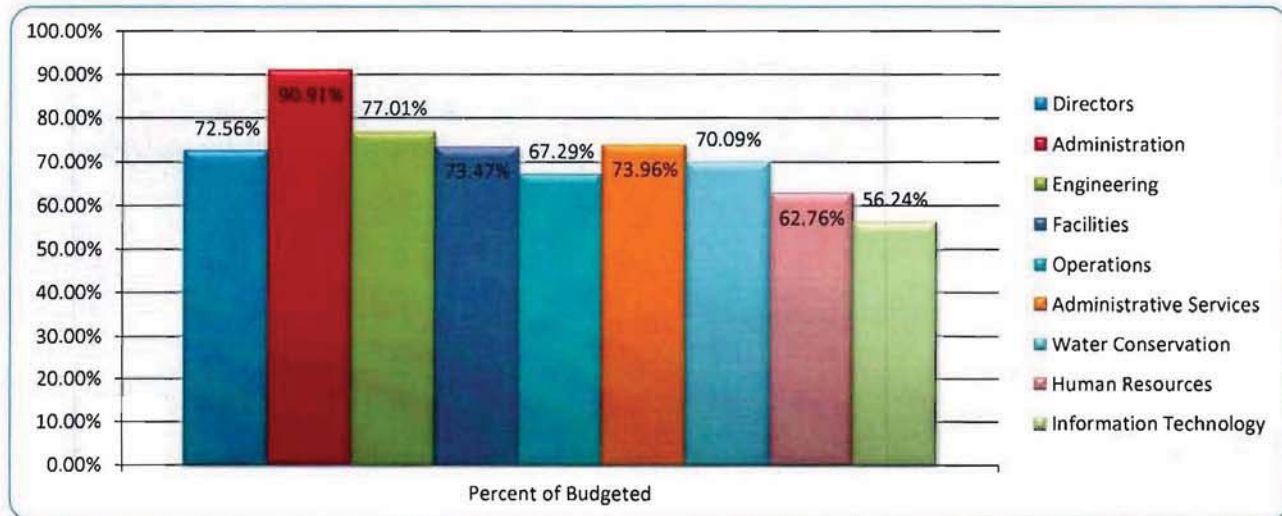
Palmdale Water District
Consolidated Profit and Loss Statement
For the Nine Months Ending September 30, 2011

	Thru August	September	Year-to-Date	Adjustments	Adjusted Budget	% of Budget
Operating Revenue:						
Water Sales	\$ 4,759,317	\$ 1,062,105	\$ 5,821,422		\$ 9,400,000	61.93%
Meter Fees	6,878,642	860,414	7,739,056		10,650,000	72.67%
Water Quality Fees	961,080	205,882	1,166,962		1,600,000	72.94%
Elevation Fees	322,913	66,388	389,301		560,000	69.52%
Other	1,145,539	113,125	1,258,664		1,175,000	107.12%
Total Water Sales	\$ 14,067,489	\$ 2,307,915	\$ 16,375,404	\$ -	\$ 23,385,000	70.03%
Cash Operating Expenses:						
Directors	\$ 94,657	\$ 11,427	\$ 106,083		\$ 146,200	72.56%
Administration	2,750,715	136,716	2,887,431		3,176,000	90.91%
Engineering	776,402	91,499	867,901		1,127,000	77.01%
Facilities	2,159,075	277,800	2,436,876		3,317,000	73.47%
Operations	2,984,034	428,088	3,412,122		5,071,050	67.29%
Administrative Services	1,831,074	211,756	2,042,830		2,762,200	73.96%
Water Conservation	133,416	15,517	148,934		212,500	70.09%
Human Resources	141,447	29,891	171,339		273,000	62.76%
Information Technology	303,994	96,725	400,719		712,500	56.24%
Water Purchases	1,254,018	49,924	1,303,942		3,000,000	43.46%
Water Recovery	(680,934)	(43,853)	(724,786)		(200,000)	362.39%
Capitalized Expenditures	164,473	1,640	166,114		557,300	29.81%
GAC Filter Media Replacement	821,944	-	821,944		1,600,000	51.37%
Total Cash Operating Expenses	\$ 12,734,317	\$ 1,307,131	\$ 14,041,448	\$ -	\$ 21,754,750	64.54%
Non-Cash Operating Expenses:						
Depreciation	\$ 4,521,545	\$ 560,979	\$ 5,082,524		\$ 6,850,000	74.20%
OPEB Accrual Expense	1,140,374	201,308	1,341,682		550,000	243.94%
Bad Debts	49,485	373	49,858		100,000	49.86%
Service Costs Construction	34,903	(5,638)	29,265		125,000	23.41%
Capitalized Construction	(735,657)	(39,919)	(775,577)		(1,000,000)	77.56%
Total Non-Cash Operating Expenses	\$ 5,010,650	\$ 717,102	\$ 5,727,752	\$ -	\$ 6,625,000	86.46%
Net Operating Profit/(Loss)	\$ (3,677,478)	\$ 283,682	\$ (3,393,796)	\$ -	\$ (4,994,750)	67.95%
Non-Operating Revenues:						
Assessments (Debt Service)	\$ 2,143,288	\$ 436,823	\$ 2,580,111		\$ 3,384,133	76.24%
Assessments (1%)	1,023,384	208,575	1,231,960		1,615,867	76.24%
Interest	75,405	(1,947)	73,458		120,000	61.22%
Capital Improvement Fees	532,232	686,848	1,219,080		250,000	487.63%
State Grants	76,200	-	76,200		500,000	15.24%
Other	69,426	(5,089)	64,337		175,000	36.76%
Total Non-Operating Revenues	\$ 3,919,936	\$ 1,325,210	\$ 5,245,146	\$ -	\$ 6,045,000	86.77%
Non-Operating Expenses:						
Interest on Long-Term Debt	\$ 1,702,409	\$ 234,728	\$ 1,937,137		\$ 2,541,000	76.24%
Amortization of SWP	938,768	117,346	1,056,114		1,579,000	66.88%
Other	1,035	-	1,035		-	-
Total Non-Operating Expenses	\$ 2,642,212	\$ 352,074	\$ 2,994,286	\$ -	\$ 4,120,000	72.68%
Net Earnings	\$ (2,399,754)	\$ 1,256,819	\$ (1,142,935)	\$ -	\$ (3,069,750)	37.23%

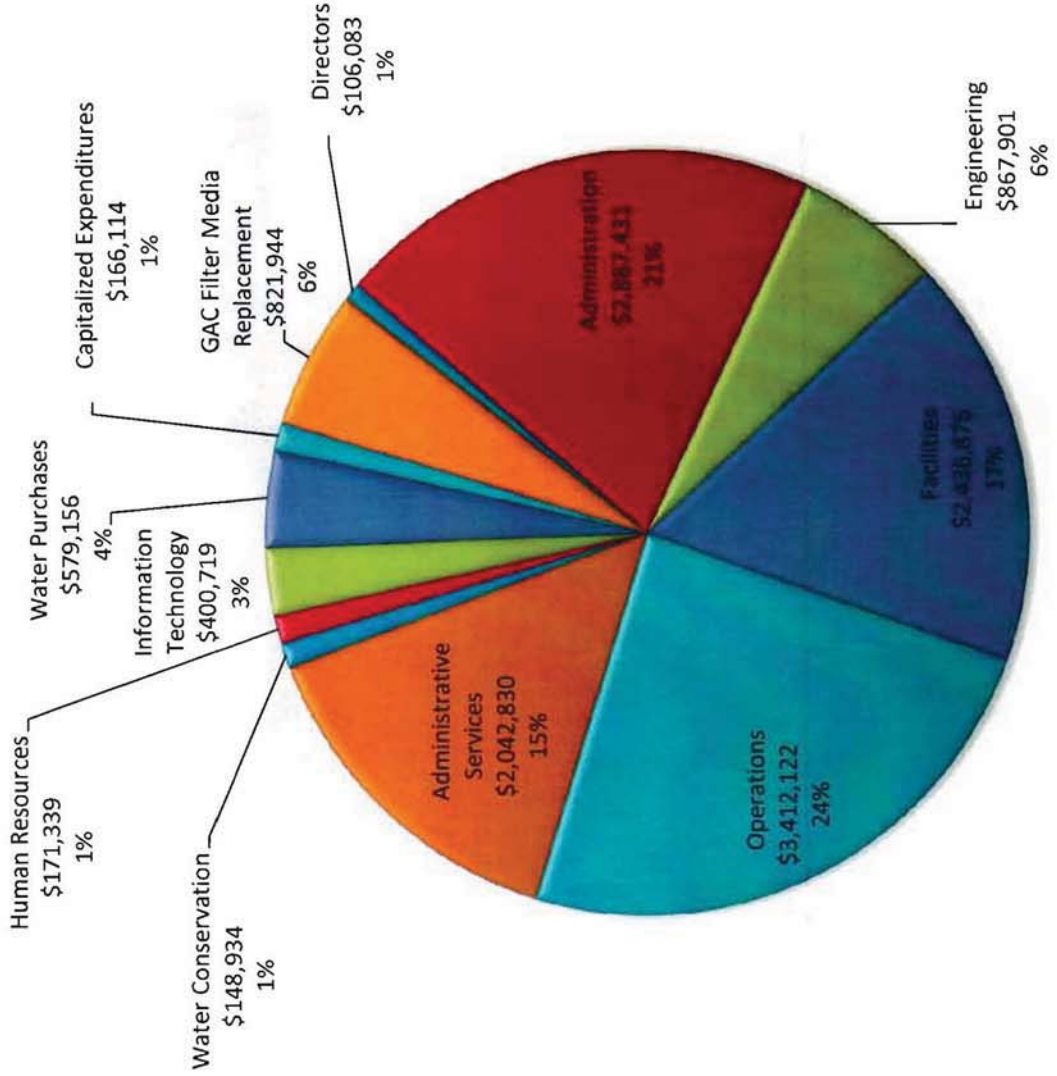
P & L - BUDGET vs. ACTUAL



DEPARTMENTAL - BUDGET vs. ACTUAL



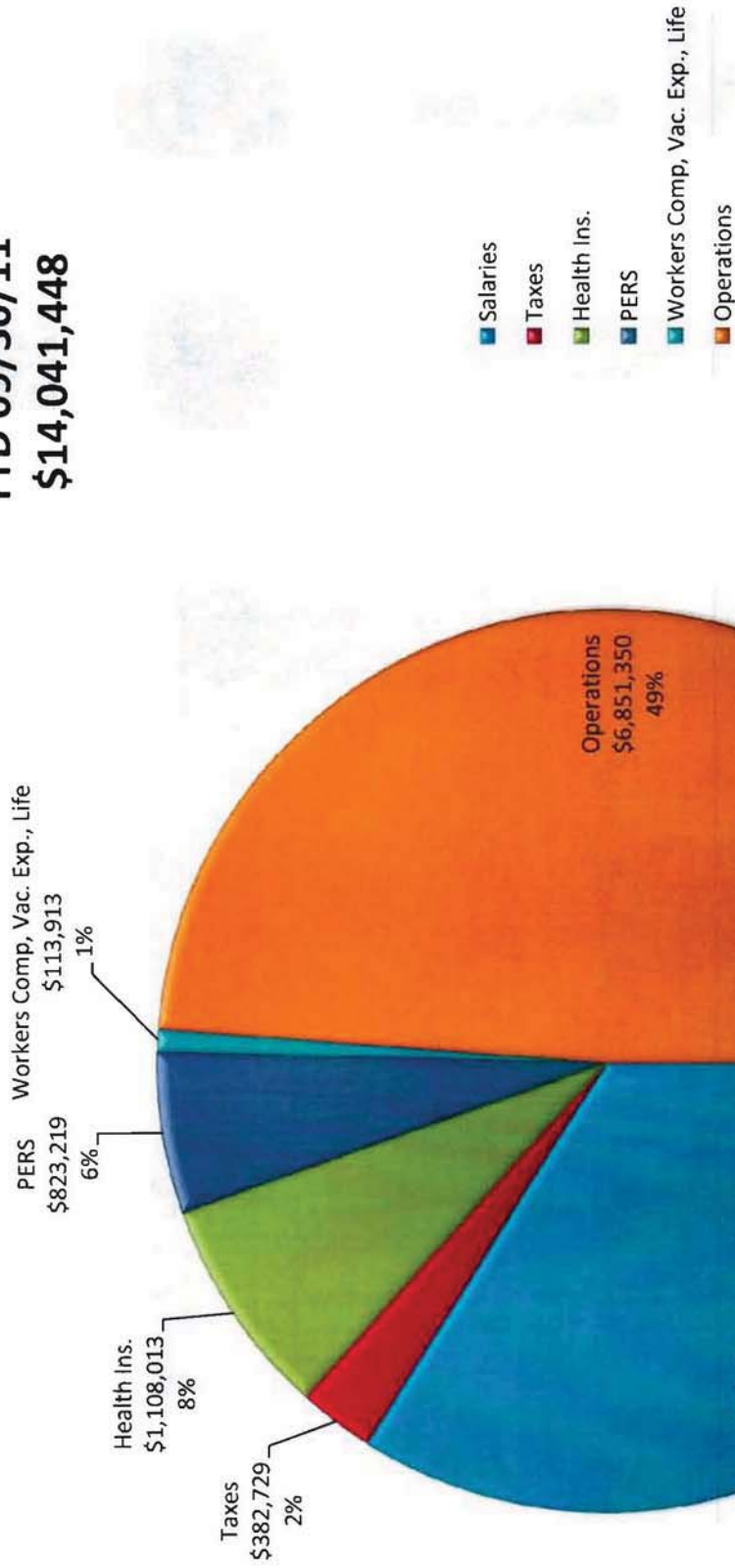
Cash Operating Expenses **YTD 09/30/11** **\$14,041,448**



Personnel to Operations Exp

YTD 09/30/11

\$14,041,448

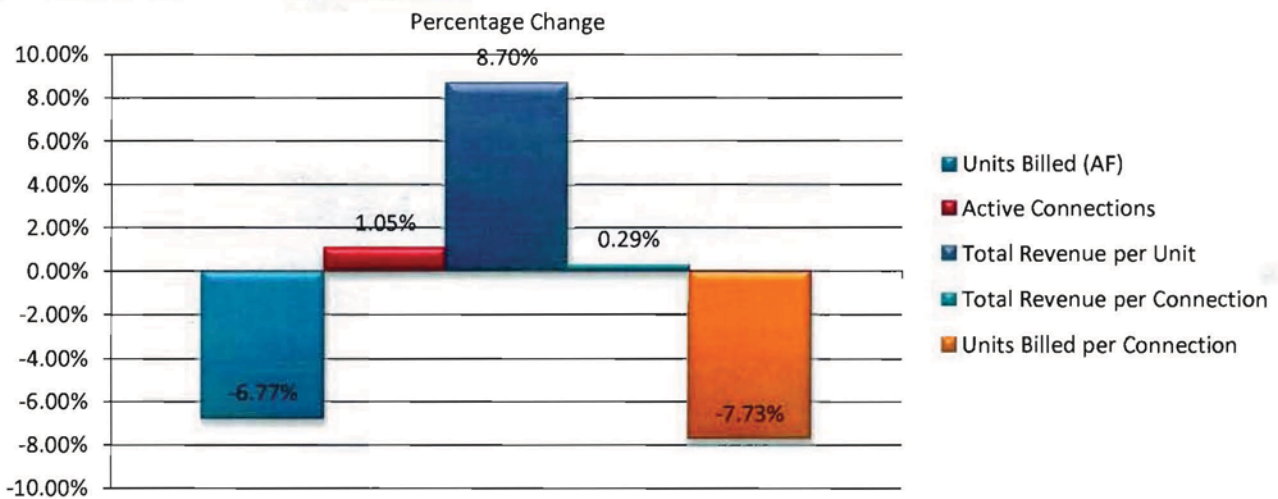
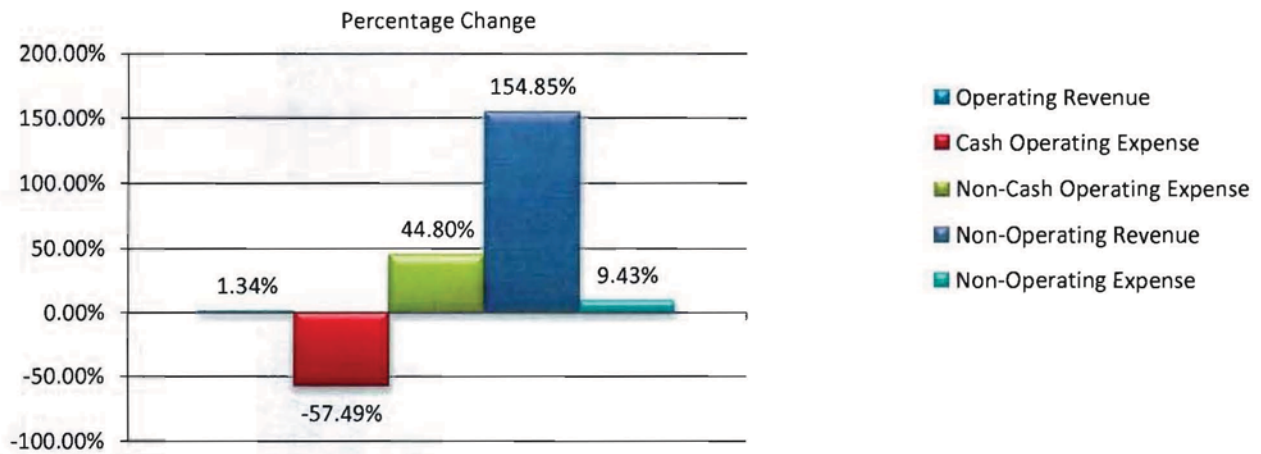


Palmdale Water District
Profit and Loss Statement
Year-To-Year Comparison - September

	2010	2011		%		Consumption Comparison		
	September	September	Change	Change		Units Billed	2010	2011
Operating Revenue:							988,693	921,790
Water Sales	\$ 1,102,215	\$ 1,062,105	\$ (40,110)	-3.64%	Active		26,008	26,280
Meter Fees	824,966	860,414	35,449	4.30%	Vacant		1,616	1,362
Water Quality Fees	197,670	205,882	8,213	4.15%				
Elevation Fees	106,101	66,388	(39,712)	-37.43%				
Other	46,442	113,125	66,683	143.58%	Rev/unit	\$	2.30	\$ 2.50
Total Water Sales	\$ 2,277,393	\$ 2,307,915	\$ 30,522	1.34%	Rev/con	\$	87.57	\$ 87.82
					Unit/con		38.01	35.08
Cash Operating Expenses:								
Directors	\$ 15,671	\$ 11,427	\$ (4,244)	-27.08%				
Administration	340,563	136,716	(203,847)	-59.86%				
Engineering	214,134	91,499	(122,635)	-57.27%				
Facilities	614,264	277,800	(336,463)	-54.78%				
Operations	586,848	428,088	(158,761)	-27.05%				
Administrative Services	530,234	211,756	(318,478)	-60.06%				
Water Conservation	39,230	15,517	(23,713)	-60.45%				
Human Resources	38,604	29,891	(8,712)	-22.57%				
Information Technology	-	96,725						
Water Purchases	476,199	49,924	(426,275)	-89.52%				
Water Recovery	(29,795)	(43,853)	(14,058)					
Capitalized Expenditures	21,233	1,640	(19,593)	-92.28%				
GAC Filter Media Replacement	-	-	-					
Total Cash Operating Expenses	\$ 2,847,185	\$ 1,307,131	\$ (1,636,779)	-57.49%				
Non-Cash Operating Expenses:								
Depreciation	\$ 576,420	\$ 560,979	\$ (15,441)	-2.68%				
OPEB Accrual Expense	44,610	201,308	156,698	351.26%				
Bad Debts	-	373	373					
Service Costs Construction	4,192	(5,638)	(9,830)	-234.49%				
Capitalized Construction	(129,973)	(39,919)	90,053	-69.29%				
Total Non-Cash Operating Expenses	\$ 495,249	\$ 717,102	\$ 221,852	44.80%				
Net Operating Profit/(Loss)	\$ (1,065,042)	\$ 283,682	\$ 1,445,449	-135.72%				
Non-Operating Revenues:								
Assessments	\$ 500,000	\$ 645,398	\$ 145,398	29.08%				
Interest	7,857	(1,947)	(9,804)	-124.78%				
Capital Improvement Fees	9,939	686,848	676,909					
State Grants	-	-	-					
Other	2,205	(5,089)	(7,294)	-330.79%				
Total Non-Operating Revenues	\$ 520,001	\$ 1,325,210	\$ 805,209	154.85%				
Non-Operating Expenses:								
Interest on Long-Term Debt	\$ 216,656	\$ 234,728	\$ 18,071	8.34%				
Amortization of SWP	105,085	117,346	12,261	11.67%				
Other	-	-	-					
Total Non-Operating Expenses	\$ 321,741	\$ 352,074	\$ 30,332	9.43%				
Net Earnings	\$ (866,782)	\$ 1,256,819	\$ 2,220,325	-256.16%				

YEAR-TO-YEAR COMPARISON

September '10 -To-September '11



	2010	2011	
Units Billed (AF)	2,270	2,116	-6.77%
Active Connections	26,008	26,280	1.05%
Non-Active	1,616	1,362	-15.72%
Total Revenue per Unit	2.30	2.50	8.70%
Total Revenue per Connection	87.57	87.82	0.29%
Units Billed per Connection	38.01	35.08	-7.73%

Palmdale Water District

Revenue Analysis

For the Nine Months Ending September 30, 2011

2011

2010 to 2011 Comparison

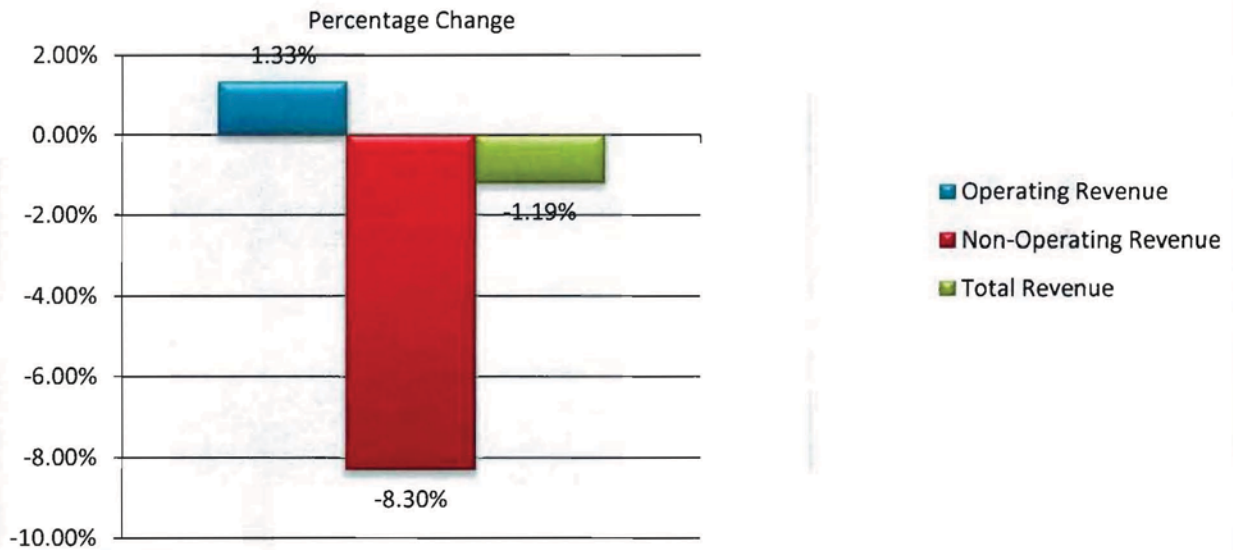
	2010 to 2011 Comparison				
	Thru August	September	Year-to-Date	Change	
Operating Revenue:					
Water Sales	\$ 4,759,317	\$ 1,062,105	\$ 5,821,422	\$ 9,400,000	61.93%
Meter Fees	6,878,642	860,414	7,739,056	10,650,000	72.67%
Water Quality Fees	961,080	205,882	1,166,962	1,600,000	72.94%
Elevation Fees	322,913	66,388	389,301	560,000	69.52%
Other	1,145,539	113,125	1,258,664	1,175,000	107.12%
Total Water Sales	\$ 14,067,489	\$ 2,307,915	\$ 16,375,404	\$ 23,385,000	70.03%
Non-Operating Revenues:					
Assessments	\$ 3,166,673	\$ 645,398	\$ 3,812,071	\$ 5,000,000	76.24%
Interest	75,405	(1,947)	73,458	120,000	61.22%
Capital Improvement Fees	532,232	686,848	1,219,080	250,000	487.63%
State Grants	76,200	-	76,200	500,000	15.24%
Sale of Real Property	-	-	-	-	-
Other	69,426	(5,089)	64,337	175,000	36.76%
Total Non-Operating Revenues	\$ 3,919,936	\$ 1,325,210	\$ 5,245,146	\$ 6,045,000	86.77%
Total Revenue	\$ 17,987,425	\$ 3,633,125	\$ 21,620,550	\$ 29,430,000	73.46%

2010

	2010 to 2011 Comparison				
	Thru August	September	Year-to-Date	Change	
Operating Revenue:					
Water Sales	\$ 4,662,839	\$ 1,102,215	\$ 5,765,054	\$ 11,000,000	52.41%
Meter Fees	6,738,870	824,966	7,563,835	10,100,000	74.89%
Water Quality Fees	1,006,855	197,670	1,204,525	2,000,000	60.23%
Elevation Fees	511,993	106,101	618,093	-	-
Other	962,886	46,442	1,009,328	1,300,000	77.64%
Total Water Sales	\$ 13,883,443	\$ 2,277,393	\$ 16,160,835	\$ 24,400,000	66.23%
Non-Operating Revenues:					
Assessments	\$ 4,000,000	\$ 500,000	\$ 4,500,000	\$ 6,000,000	75.00%
Interest	97,877	7,857	105,735	200,000	52.87%
Capital Improvement Fees	49,259	9,939	59,198	500,000	11.84%
State Grants	-	-	-	500,000	0.00%
Sale of Real Property	944,207	-	944,207	-	-
Other	108,763	2,205	110,968	50,000	221.94%
Total Non-Operating Revenues	\$ 5,200,106	\$ 520,001	\$ 5,720,108	\$ 7,250,000	78.90%
Total Revenue	\$ 19,083,549	\$ 2,797,394	\$ 21,880,943	\$ 31,650,000	69.13%

REVENUE COMPARISON YEAR-TO-DATE

September '10-To-September '11



Palmdale Water District

Operating Expense Analysis

For the Nine Months Ending September 30, 2011
2011

2010 to 2011 Comparison

	Thru August	September	Year-to-Date	Adjusted Budget	% of Budget	Thru August	September	Year-to-Date	% Change
Cash Operating Expenses:									
Directors	\$ 94,657	\$ 11,427	\$ 106,083	\$ 146,200	72.56%	\$ (7,216)	\$ (4,244)	\$ (11,460)	-10.80%
Administration	2,750,715	136,716	2,887,431	3,176,000	90.91%	(87,866)	(203,847)	(291,713)	-10.10%
Engineering	776,402	91,499	867,901	1,127,000	77.01%	(201,078)	(122,635)	(323,713)	-37.30%
Facilities	2,159,075	277,800	2,436,876	3,317,000	73.47%	(1,267,927)	(336,463)	(1,604,391)	-65.84%
Operations	2,984,034	428,088	3,412,122	5,071,050	67.29%	452,735	(158,761)	293,974	8.62%
Administrative Services	1,831,074	211,756	2,042,830	2,762,200	73.96%	(860,740)	(318,478)	(1,179,219)	-57.72%
Water Conservation	133,416	15,517	148,934	212,500	70.09%	(58,654)	(23,713)	(82,367)	-55.30%
Human Resources	141,447	29,891	171,339	273,000	62.76%	(31,537)	(8,712)	(40,249)	-23.49%
Information Technology	303,994	96,725	400,719	712,500	56.24%	303,994	96,725	400,719	
Water Purchases	1,254,018	49,924	1,303,942	3,000,000	43.46%	(1,302,553)	(426,275)	(1,728,828)	-132.58%
Water Recovery	(680,934)	(43,853)	(724,786)	(200,000)	362.39%	(623,625)	(14,058)	(637,683)	87.98%
Capitalized Expenditures	164,473	1,640	166,114	557,300	29.81%	(30,108)	(19,593)	(49,701)	-29.92%
GAC Filter Media Replacement	821,944	-	821,944	1,600,000	51.37%	290,563	-	290,563	
Total Cash Operating Expenses	\$ 12,734,317	\$ 1,307,131	\$ 14,041,448	\$ 21,754,750	64.54%	\$ (3,424,012)	\$ (1,540,054)	\$ (4,964,066)	-35.35%
Non-Cash Operating Expenses:									
Depreciation	\$ 4,521,545	\$ 560,979	\$ 5,082,524	\$ 6,850,000	74.20%	\$ (148,110)	\$ (15,441)	\$ (163,551)	-3.22%
OPEB Accrual Expense	1,140,374	201,308	1,341,682	550,000	243.94%	828,103	156,698	984,801	73.40%
Bad Debts	49,485	373	49,858	100,000	49.86%	43,070	373	43,442	87.13%
Service Costs Construction	34,903	(5,638)	29,265	125,000	23.41%	1,288	(9,830)	(8,542)	-29.19%
Capitalized Construction	(735,657)	(39,919)	(775,577)	(1,000,000)	77.56%	243,186	90,053	333,239	-42.97%
Total Non-Cash Operating Expenses	\$ 5,010,650	\$ 717,102	\$ 5,727,752	\$ 6,625,000	86.46%	\$ 967,536	\$ 221,852	\$ 1,189,389	20.77%
Non-Operating Expenses:									
Interest on Long-Term Debt	\$ 1,702,409	\$ 234,728	\$ 1,937,137	\$ 2,541,000	76.24%	\$ (30,841)	\$ 18,071	\$ (12,770)	
Amortization of SWP	938,768	117,346	1,056,114	1,579,000	66.88%	45,540	12,261	57,801	
Other	1,035	-	1,035	-		535	-	535	
Total Non-Operating Expenses	\$ 2,642,212	\$ 352,074	\$ 2,994,286	\$ 4,120,000	72.68%	\$ 15,233	\$ 30,332	\$ 45,566	1.52%
Total Expenses	\$ 20,387,179	\$ 2,376,306	\$ 22,763,485	\$ 32,499,750	70.04%	\$ (2,441,242)	\$ (1,287,870)	\$ (3,729,112)	-16.38%

Palmdale Water District

Operating Expense Analysis

For the Nine Months Ending September 30, 2011

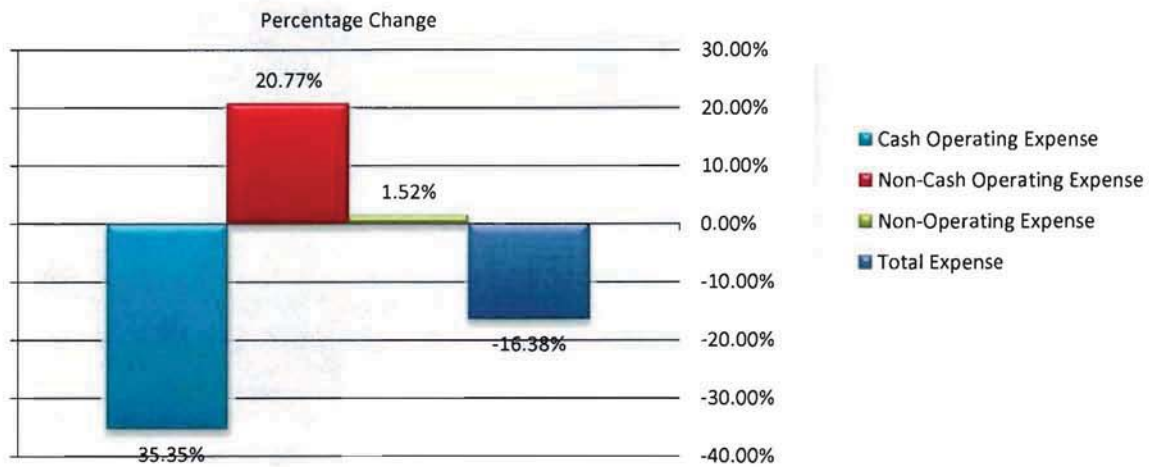
2010 to 2011 Comparison

2010

	Thru August	September	Year-to-Date	Adjusted Budget	% of Budget
Cash Operating Expenses:					
Directors	\$ 101,873	\$ 15,671	\$ 117,543	\$ 147,500	
Administration	2,838,582	340,563	3,179,144	3,808,000	83.49%
Engineering	977,480	214,134	1,191,614	975,000	122.22%
Facilities	3,427,003	614,264	4,041,266	4,970,000	81.31%
Operations	2,531,299	586,848	3,118,148	3,421,500	91.13%
Administrative Services	2,691,814	530,234	3,222,048	3,452,000	93.34%
Water Conservation	192,070	39,230	231,300	285,500	81.02%
Human Resources	172,984	38,604	211,587	206,500	
Water Purchases	2,556,571	476,199	3,032,770	2,600,000	116.65%
Water Recovery	(57,308)	(29,795)	(87,103)	(275,000)	31.67%
Capitalized Expenditures	194,581	21,233	215,814	936,000	
GAC Filter Media Replacement	531,381	-	531,381	1,216,000	
Total Cash Operating Expenses	\$16,158,329	\$2,847,185	\$19,005,514	\$21,743,000	87.41%
Non-Cash Operating Expenses:					
Depreciation	\$ 4,669,656	\$ 576,420	\$ 5,246,076	\$ 5,200,000	100.89%
OPEB Accrual Expense	312,271	44,610	356,881	521,736	
Bad Debts	6,415	-	6,415	75,000	8.55%
Service Costs Construction	33,615	4,192	37,807	200,000	18.90%
Capitalized Construction	(978,843)	(129,973)	(1,108,816)	(1,200,000)	92.40%
Total Non-Cash Operating Expenses	\$ 4,043,114	\$ 495,249	\$ 4,538,363	\$ 4,796,736	94.61%
Non-Operating Expenses:					
Interest on Long-Term Debt	\$ 1,733,251	\$ 216,656	\$ 1,949,907	\$ 2,551,000	76.44%
Amortization of SWP	893,228	105,085	998,313	1,334,000	74.84%
Other	500	-	500	-	
Total Non-Operating Expenses	\$ 2,626,979	\$ 321,741	\$ 2,948,720	\$ 3,885,000	75.90%
Total Expenses	\$22,828,421	\$3,664,176	\$26,492,597	\$30,424,736	87.08%

EXPENSE COMPARISON YEAR-TO-DATE

September '10-To-September '11



Palmdale Water District
2011 Directors Budget
For the Nine Months Ending September 30, 2011

	YTD ACTUAL 2011	ORIGINAL BUDGET 2011	ADJUSTMENTS 2011	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-01-4000-000 Directors Pay	\$ 30,150	\$ 45,000	\$ -	\$ 14,850	67.00%
Employee Benefits					
1-01-4005-000 Payroll Taxes	4,593	4,200		(393)	
1-01-4010-000 Health Insurance	67,569	85,000		17,431	79.49%
Subtotal (Benefits)	72,162	89,200	-	17,431	80.90%
Total Personnel Expenses	\$102,312	\$134,200	\$ -	\$ 32,281	76.24%
OPERATING EXPENSES:					
1-01-4050-000 Directors Travel, Seminars & Meetings	3,771	12,000		8,229	31.43%
Subtotal Operating Expenses	3,771	12,000	-	8,229	31.43%
Total O & M Expenses	\$106,083	\$146,200	\$ -	\$ 40,510	72.56%

**Palmdale Water District
2011 Administration Budget
For the Nine Months Ending September 30, 2011**

	YTD ACTUAL 2011	ORIGINAL BUDGET 2011	ADJUSTMENTS 2011	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-02-4000-000 Salaries	\$ 463,985	\$ 560,000		\$ 96,016	82.85%
Employee Benefits					
1-02-4005-000 Payroll Taxes	30,736	43,000		12,264	71.48%
1-02-4010-000 Health Insurance	78,755	90,000		11,245	87.51%
1-02-4015-000 PERS	67,578	102,000		34,422	66.25%
1-02-4020-000 Worker's Compensation	87,372	200,000		112,628	43.69%
1-02-4025-000 Vacation Benefit Expense	19,349	35,000		15,651	55.28%
1-02-4030-000 Life Insurance	7,192	7,500		308	95.89%
Subtotal (Benefits)	\$ 290,982	\$ 477,500	\$ -	\$ 186,518	60.94%
Total Personnel Expenses	\$ 754,966	\$ 1,037,500	\$ -	\$ 282,534	72.77%
OPERATING EXPENSES:					
1-02-4050-000 Staff Travel	\$ 6,096	\$ 8,000		\$ 1,904	76.20%
1-02-4050-100 General Manager Travel	4,524	5,000		476	90.48%
1-02-4060-000 Staff Conferences & Seminars	-	3,000		3,000	0.00%
1-02-4060-100 General Manager Conferences & Seminars	1,905	4,500		2,595	42.33%
1-02-4070-000 Employee Expense	26,054	50,000		23,946	52.11%
1-02-4080-000 Other Operating	20,031	15,000		(5,031)	133.54%
1-02-4110-000 Consultants*	174,367	180,000	(6,000)	(367)	100.21%
1-02-4125-000 Insurance	201,872	350,000		148,128	57.68%
1-02-4130-000 Bank Charges	100,313	125,000		24,688	80.25%
1-02-4135-000 Groundwater Adjudication	1,003,974	425,000		(578,974)	236.23%
1-02-4140-000 Legal Services	375,994	600,000		224,006	62.67%
1-02-4150-000 Accounting Services	22,721	25,000		2,279	90.88%
1-02-4155-000 Contracted Services	20,257	50,000		29,743	40.51%
1-02-4165-000 Memberships/Subscriptions	64,657	110,000		45,343	58.78%
1-02-4175-000 Permits	8,952	20,000		11,048	44.76%
1-02-4180-000 Postage	18,312	45,000		26,688	40.69%
1-02-4190-100 Public Relations - Publications	10,839	32,000		21,161	33.87%
1-02-4190-900 Public Relations - Other	1,086	1,000		(86)	108.60%
1-02-4200-000 Advertising	1,924	3,000		1,076	64.14%
1-02-4205-000 Office Supplies	15,284	20,000		4,716	76.42%
1-02-4215-200 Natural Gas - Office Building	2,844	3,500		656	81.25%
1-02-4220-200 Electricity - Office Building	37,391	44,000		6,609	84.98%
1-02-4230-100 Maintenance & Repair - Office Building	7,292	18,000		10,708	40.51%
1-02-4255-000 Office Furniture*	5,559	-	6,000	441	92.65%
1-02-6300-100 Supplies - Janitorial	218	1,500		1,282	14.51%
Subtotal Operating Expenses	\$ 2,132,465	\$ 2,138,500	\$ -	\$ 6,035	99.72%
Total Departmental Expenses	\$ 2,887,431	\$ 3,176,000	\$ -	\$ 288,569	90.91%

* Budget adjustments by General Manager per Appendix A

**Palmdale Water District
2011 Engineering Budget
For the Nine Months Ending September 30, 2011**

	YTD ACTUAL 2011	ORIGINAL BUDGET 2011	ADJUSTMENTS 2011	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-03-4000-000 Salaries	\$ 580,084	\$ 750,000		\$ 169,916	77.34%
Employee Benefits					
1-03-4005-000 Payroll Taxes	45,200	57,500		12,300	78.61%
1-03-4010-000 Health Insurance	113,216	152,500		39,284	74.24%
1-03-4015-000 PERS	102,812	135,500		32,688	75.88%
Subtotal (Benefits)	\$ 261,228	\$ 345,500	\$ -	\$ 84,272	75.61%
Total Personnel Expenses	\$ 841,311	\$ 1,095,500	\$ -	\$ 254,189	76.80%
OPERATING EXPENSES:					
1-03-4050-000 Staff Travel	\$ 3,407	\$ 3,500		\$ 93	97.35%
1-03-4060-000 Staff Conferences & Seminars	2,557	3,500		943	73.05%
1-03-4155-000 Contracted Services	5,743	5,000		(743)	114.86%
1-03-4165-000 Memberships/Subscriptions	2,422	2,500		78	96.89%
1-03-4230-110 Maintenance & Repair-Office Equipment	599	-		(599)	
1-03-4250-000 General Materials & Supplies	1,140	2,000		860	56.98%
1-03-8100-100 Computer Software - Maint. & Support	10,722	15,000		4,278	71.48%
Subtotal Operating Expenses	\$ 26,590	\$ 31,500	\$ -	\$ 4,910	84.41%
Total Departmental Expenses	\$ 867,901	\$ 1,127,000	\$ -	\$ 259,099	77.01%

**Palmdale Water District
2011 Facilities Budget
For the Nine Months Ending September 30, 2011**

	YTD ACTUAL 2011	ORIGINAL BUDGET 2011	ADJUSTMENTS 2011	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-04-4000-000 Salaries	\$ 1,027,331	\$ 1,434,000		\$ 406,669	71.64%
Employee Benefits					
1-04-4005-000 Payroll Taxes	87,415	110,000		22,585	79.47%
1-04-4010-000 Health Insurance	254,331	337,000		82,669	75.47%
1-04-4015-000 PERS	184,590	252,000		67,410	73.25%
Subtotal (Benefits)	\$ 526,336	\$ 699,000	\$ -	\$ 172,664	75.30%
Total Personnel Expenses	\$ 1,553,667	\$ 2,133,000	\$ -	\$ 579,333	72.84%
OPERATING EXPENSES:					
1-04-4050-000 Staff Travel	\$ 625	\$ 3,000		\$ 2,375	20.84%
1-04-4060-000 Staff Conferences & Seminars	2,081	3,000		919	69.37%
1-04-4155-000 Contracted Services	22,292	33,000		10,708	67.55%
1-04-4215-200 Natural Gas - Buildings	2,306	4,500		2,194	51.24%
1-04-4220-200 Electricity - Buildings	9,867	17,500		7,633	56.38%
1-04-4225-000 Maint. & Repair - Vehicles	29,860	45,000		15,140	66.36%
1-04-4235-110 Maint. & Rep. Operations - Equipment	5,615	5,000		(615)	112.29%
1-04-4235-400 Maint. & Rep. Operations - Wells	95,650	150,000		54,350	63.77%
1-04-4235-405 Maint. & Rep. Operations - Boosters	49,406	50,000		594	98.81%
1-04-4235-410 Maint. & Rep. Operations - Shop Bldgs	6,120	3,000		(3,120)	203.99%
1-04-4235-415 Maint. & Rep. Operations - Facilities	9,967	25,000		15,033	39.87%
1-04-4235-420 Maint. & Rep. Operations - Water Lines	332,203	370,000		37,797	89.78%
1-04-4235-425 Maint. & Rep. Operations - Littlerock Dam	15,487	25,000		9,513	61.95%
1-04-4235-430 Maint. & Rep. Operations - Palmdale Dam	20,779	25,000		4,221	83.11%
1-04-4235-435 Maint. & Rep. Operations - Palmdale Canal	184	5,000		4,816	3.68%
1-04-4235-455 Maint. & Rep. Operations - Heavy Equipment	25,128	40,000		14,872	62.82%
1-04-4235-460 Maint. & Rep. Operations - Storage Reservoirs	1,701	5,000		3,299	34.03%
1-04-6000-000 Waste Disposal	14,123	20,000		5,877	70.62%
1-04-6100-100 Fuel and Lube - Vehicle	104,894	115,000		10,106	91.21%
1-04-6100-200 Fuel and Lube - Machinery	21,398	43,000		21,602	49.76%
1-04-6200-000 Uniforms	10,887	20,000		9,113	54.43%
1-04-6300-100 Supplies - Misc.	33,751	50,000		16,249	67.50%
1-04-6300-800 Supplies - Construction Materials	55,956	100,000		44,044	55.96%
1-04-6400-000 Tools	5,281	12,000		6,719	44.00%
1-04-7000-100 Leases -Equipment	7,650	15,000		7,350	51.00%
Subtotal Operating Expenses	\$ 883,209	\$ 1,184,000	\$ -	\$ 300,791	74.60%
Total Departmental Expenses	\$ 2,436,876	\$ 3,317,000	\$ -	\$ 880,124	73.47%

**Palmdale Water District
2011 Operation Budget
For the Nine Months Ending September 30, 2011**

	YTD ACTUAL 2011	ORIGINAL BUDGET 2011	ADJUSTMENTS 2011	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-05-4000-000 Salaries	\$ 1,212,639	\$ 1,615,000		\$ 402,361	75.09%
Employee Benefits					
1-05-4005-000 Payroll Taxes	95,110	123,500		28,390	77.01%
1-05-4010-000 Health Insurance	265,019	380,000		114,981	69.74%
1-05-4015-000 PERS	205,780	289,000		83,220	71.20%
Subtotal (Benefits)	\$ 565,909	\$ 792,500	\$ -	\$ 226,591	71.41%
Total Personnel Expenses	\$ 1,778,548	\$ 2,407,500	\$ -	\$ 628,952	73.88%
OPERATING EXPENSES:					
1-05-4050-000 Staff Travel	\$ 7,733	\$ 10,800		\$ 3,067	71.60%
1-05-4060-000 Staff Conferences & Seminars	8,088	10,800		2,712	74.89%
1-05-4120-100 Training - Lab Equipment	1,962	7,500		5,538	26.15%
1-05-4155-000 Contracted Services	46,943	73,500		26,557	63.87%
1-05-4175-000 Permits	25,891	51,000		25,109	50.77%
1-05-4215-100 Natural Gas - Wells & Boosters	65,711	150,000		84,289	43.81%
1-05-4215-200 Natural Gas - WTP	1,858	3,000		1,142	61.93%
1-05-4220-100 Electricity - Wells & Boosters	837,875	1,440,000		602,125	58.19%
1-05-4220-200 Electricity - WTP	116,385	190,000		73,615	61.26%
1-05-4230-110 Maint. & Rep. - Office Equipment	99	500		401	19.82%
1-05-4235-110 Maint. & Rep. Operations - Equipment	5,597	15,000		9,403	37.32%
1-05-4235-410 Maint. & Rep. Operations - Shop Bldgs	552	6,000		5,448	9.20%
1-05-4235-415 Maint. & Rep. Operations - Facilities	38,432	38,000		(432)	101.14%
1-05-4235-445 Maint. & Rep. Operations - Telemetry	14,490	2,250		(12,240)	644.01%
1-05-4235-450 Maint. & Rep. Operations - Hypo Generator	1,344	7,250		5,906	18.54%
1-05-4236-000 Palmdale Lake Management	13,464	21,000		7,536	64.12%
1-05-4250-000 General Material & Supplies	569	-		(569)	
1-05-4270-300 Telecommunication - Other	2,292	2,250		(42)	101.89%
1-05-4300-300 Testing - Edison	5,385	10,000		4,615	53.85%
3-05-4300-100 R & D - Filter media Testing	-	13,000		13,000	0.00%
1-05-5011-000 Emergency Repair & Recovery	4,460	-			
1-05-6000-000 Waste Disposal	4,614	36,000		31,386	12.82%
1-05-6200-000 Uniforms	4,887	10,000		5,113	48.87%
1-05-6300-100 Supplies - Misc.	7,477	15,000		7,523	49.85%
1-05-6300-200 Supplies - Hypo Generator	3,802	6,750		2,948	56.32%
1-05-6300-300 Supplies - Electrical	1,862	2,700		838	68.96%
1-05-6300-400 Supplies - Telemetry	1,100	8,250		7,150	13.34%
1-05-6300-600 Supplies - Lab	24,415	35,000		10,585	69.76%
1-05-6300-700 Outside Lab Work	51,670	67,500		15,830	76.55%
1-05-6400-000 Tools	5,889	6,500		611	90.60%
1-05-6500-000 Chemicals	327,753	420,000		92,247	78.04%
1-05-7000-100 Leases -Equipment	972	4,000		3,028	24.31%
Subtotal Operating Expenses	\$ 1,633,573	\$ 2,663,550	\$ -	\$ 1,034,436	61.33%
Total Departmental Expenses	\$ 3,412,122	\$ 5,071,050	\$ -	\$ 1,663,388	67.29%

**Palmdale Water District
2011 Administrative Services Budget
For the Nine Months Ending September 30, 2011**

	YTD ACTUAL 2011	ORIGINAL BUDGET 2011	ADJUSTMENTS 2011	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-06-4000-000 Salaries	\$ 1,111,623	\$ 1,540,000		\$ 428,377	72.18%
Employee Benefits					
1-06-4005-000 Payroll Taxes	93,924	118,000		24,076	79.60%
1-06-4010-000 Health Insurance	272,595	365,000		92,405	74.68%
1-06-4015-000 PERS	200,330	276,500		76,171	72.45%
Subtotal (Benefits)	\$ 566,849	\$ 759,500	\$ -	\$ 192,651	74.63%
Total Personnel Expenses	\$ 1,678,472	\$ 2,299,500	\$ -	\$ 621,028	72.99%
OPERATING EXPENSES:					
1-06-4050-000 Staff Travel	\$ 167	\$ 1,000		833	16.75%
1-06-4060-000 Staff Conferences & Seminars	456	500		44	91.14%
1-06-4155-100 Contracted Services - Infosend	179,562	205,000		25,438	87.59%
1-06-4155-300 Contracted Services - Computer Vendors	13,339	-		(13,339)	
1-06-4165-000 Memberships/Subscriptions	275	500		225	55.00%
1-06-4230-110 Maintenance & Repair - Office Equipment	209	2,000		1,791	10.43%
1-06-4235-440 Maint. & Rep. Operations - Large Meters	4,836	41,000		36,164	11.80%
1-06-4235-470 Maint. & Rep. Operations - Meter Exchanges	107,651	125,000		17,349	86.12%
1-06-4250-000 General Material & Supplies	4,463	4,000		(463)	111.58%
1-06-4260-000 Business Forms	3,957	10,000		6,043	39.57%
1-06-4270-100 Telecommunication - Office	21,241	30,000		8,759	70.80%
1-06-4270-200 Telecommunication - Cellular Stipend	11,900	20,000		8,100	59.50%
1-06-4270-300 Telecommunication - Cellular	1,869	-		(1,869)	
1-06-4300-200 Testing - Large Meter Testing	12,000	21,500		9,500	55.81%
1-06-7000-100 Leases - Equipment	2,432	2,200		(232)	110.56%
Subtotal Operating Expenses	\$ 364,358	\$ 462,700	\$ -	\$ 98,342	78.75%
Total Departmental Expenses	\$ 2,042,830	\$ 2,762,200	\$ -	\$ 719,370	73.96%

**Palmdale Water District
2011 Water Conservation Budget
For the Nine Months Ending September 30, 2011**

	YTD	ORIGINAL		ADJUSTED	
	ACTUAL	BUDGET	ADJUSTMENTS	BUDGET	PERCENT
	2011	2011	2011	REMAINING	USED
Personnel Budget:					
1-07-4000-000 Salaries	\$ 106,231	\$ 150,000		\$ 43,769	70.82%
Employee Benefits					
1-07-4005-000 Payroll Taxes	8,532	11,500		2,968	74.19%
1-07-4010-000 Health Insurance	11,483	15,500		4,017	74.08%
1-07-4015-000 PERS	20,065	27,000		6,935	74.32%
Subtotal (Benefits)	\$ 40,080	\$ 54,000	\$ -	\$ 13,920	74.22%
Total Personnel Expenses	\$ 146,311	\$ 204,000	\$ -	\$ 57,689	71.72%
OPERATING EXPENSES:					
1-07-4050-000 Staff Travel	\$ -	\$ 1,000		\$ 1,000	0.00%
1-07-4060-000 Staff Conferences & Seminars	35	500		465	7.00%
1-07-4190-300 Public Relations - Landscape Workshop/Training	974	2,500		1,526	38.98%
1-07-4190-400 Public Relations - Contests	58	1,500		1,442	3.86%
1-07-4190-500 Public Relations - Education Programs	616	1,000		384	61.65%
1-07-6300-100 Supplies - Misc.	939	2,000		1,061	46.96%
Subtotal Operating Expenses	\$ 2,623	\$ 8,500	\$ -	\$ 5,877	30.86%
Total Departmental Expenses	\$ 148,934	\$ 212,500	\$ -	\$ 63,566	70.09%

**Palmdale Water District
2011 Human Resources Budget
For the Nine Months Ending September 30, 2011**

	YTD ACTUAL 2011	ORIGINAL BUDGET 2011	ADJUSTMENTS 2011	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-08-4000-000 Salaries	\$ 88,810	\$ 124,000		\$ 35,190	71.62%
Employee Benefits					
1-08-4005-000 Payroll Taxes	6,439	9,500		3,061	67.78%
1-08-4010-000 Health Insurance	16,130	38,000		21,870	42.45%
1-08-4015-000 PERS	16,986	23,000		6,014	73.85%
Subtotal (Benefits)	\$ 39,555	\$ 70,500	\$ -	\$ 30,945	56.11%
Total Personnel Expenses	\$ 128,365	\$ 194,500	\$ -	\$ 66,135	66.00%
OPERATING EXPENSES:					
1-08-4050-000 Staff Travel	\$ 1,011	\$ 2,000		\$ 989	50.55%
1-08-4060-000 Staff Conferences & Seminars	1,295	2,000		705	64.75%
1-08-4090-000 Temporary Staffing	1,966	-		(1,966)	
1-08-4095-000 Employee Recruitment*	679	3,000	(500)	1,821	22.63%
1-08-4100-000 Employee Retention*	798	1,000	500	702	79.80%
1-08-4105-000 Employee Relations	3,185	3,000		(185)	106.17%
1-08-4110-000 Consultants	-	1,000		1,000	0.00%
1-08-4120-100 Training-Safety Consultants	11,803	30,000		18,197	39.34%
1-08-4121-000 Safety Program	-	1,000		1,000	0.00%
1-08-4165-000 Membership/Subscriptions	579	1,000		421	57.90%
1-08-4165-100 HR/Safety Publications*	1,246	1,000	750	504	71.17%
1-08-6300-500 Supplies - Safety*	20,412	33,500	(750)	12,338	60.93%
Subtotal Operating Expenses	\$ 42,973	\$ 78,500	\$ -	\$ 35,527	54.74%
Total Departmental Expenses	\$ 171,339	\$ 273,000	\$ -	\$ 101,661	62.76%

* Budget adjustments by General Manager per Appendix A

Palmdale Water District
2011 Information Technology Budget
For the Nine Months Ending September 30, 2011

	YTD ACTUAL 2011	ORIGINAL BUDGET 2011	ADJUSTMENTS 2011	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-09-4000-000 Salaries	\$ 141,371	\$ 201,000		\$ 59,629	70.33%
Employee Benefits					
1-09-4005-000 Payroll Taxes	10,780	15,500		4,720	69.55%
1-09-4010-000 Health Insurance	28,915	39,000		10,085	74.14%
1-09-4015-000 PERS	25,078	35,000		9,922	71.65%
Subtotal (Benefits)	\$ 64,773	\$ 89,500	\$ -	\$ 24,727	72.37%
Total Personnel Expenses	\$ 206,144	\$ 290,500	\$ -	\$ 84,356	70.96%
OPERATING EXPENSES:					
1-09-4050-000 Staff Travel	\$ 302	\$ 1,500		1,198	20.13%
1-09-4060-000 Staff Conferences & Seminars	4,243	10,000		5,757	42.43%
1-09-4120-100 Cogsdale Reimplementation & Templates	19,903	120,000		100,097	16.59%
1-09-4155-300 Contracted Services - Computer Vendors	4,861	62,000		57,139	7.84%
1-09-4165-000 Memberships/Subscriptions	340	500		160	67.99%
1-09-8000-100 Computer Equipment - Computers	4,178	45,000		40,822	9.29%
1-09-8000-200 Computer Equipment - Laptops	-	7,500		7,500	0.00%
1-09-8000-300 Computer Equipment - Monitors	639	1,000		361	63.94%
1-09-8000-400 Computer Equipment - Printers	1,911	2,500		589	76.44%
1-09-8000-500 Computer Equipment - Toner Cartridges	10,995	12,000		1,005	91.63%
1-09-8000-600 Computer Equipment - Other	6,943	20,000		13,057	34.71%
1-09-8100-100 Computer Software - Maint. and Support	27,499	55,000		27,501	50.00%
1-09-8100-150 Computer Software - Cogsdale Maint and Support	109,439	70,000		(39,439)	156.34%
1-09-8100-200 Computer Software - Software and Upgrades	3,321	15,000		11,679	22.14%
Subtotal Operating Expenses	\$ 194,574	\$ 422,000	\$ -	\$ 227,426	46.11%
Total Departmental Expenses	\$ 400,719	\$ 712,500	\$ -	\$ 311,781	56.24%

Contractual Commitments and Projected Payout Schedule

Project Title	Contractor/Consultant	Budgeted	Contracted	Spent to Date	Prior Years Remaining	Current Year Remaining	August	September	October	November	December	January	February	March	April	May	June
2011 General Activated Carbon Supply 2011 Change-Order	TBD	\$ 1,600,000	\$ -	\$ 816,499	\$ -	\$ -	\$ 382,527		\$ 291,507	\$ 291,507	\$ 291,507	\$ 291,507					
Strategic Water Resources Plan CEQA (PMD09SPCWRPLN)	Environmental Science	\$ 250,000	\$ 222,431	\$ 167,272	\$ -	\$ 65,198		\$ 15,550	\$ 8,000	\$ 8,000							
Recycled Water Master Plan CEQA	RMC	\$ 60,000	\$ 102,032	\$ 59,108	\$ 42,924												
Littlerock Dam Sediment Removal EIR/EIS	Aspen	\$ 150,000	\$ 651,493	\$ 521,937	\$ 129,555		\$ 13,344	\$ 27,635	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000				
Wind Turbine Maintenance Annual Maintenance Contract	Vestas America	\$ 7,500	\$ 7,500	\$ -	\$ 7,500			\$ 5,000	\$ 2,500								
Spec. No. 1002 - Avenue Q / 10th to 20th St. E. W.M. Replacement Construction (10 AR RCP-45)	BV Construction	\$ 625,000	\$ 553,307	\$ 546,025	\$ -	\$ 6,382	\$ 128,790	\$ 375	\$ 6,382								
Spec. No. 0093 - Avenue Q / 9th to 12th St. E. W.M. Replacement Construction (11AR RCP08)	VCI	\$ 850,000	\$ 850,000	\$ -	\$ -	\$ 850,000		\$ 3,545	\$ 100,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 86,400			
Spec. No. 0902 - Ave. Q-3, Division, Sumac Construction	TBD	\$ 900,000		\$ -		\$ 900,000						\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000
WTP Security System Construction	TBD	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ 50,000				\$ 10,000	\$ 20,000	\$ 20,000	\$ 50,000	\$ 70,000	\$ 50,000		
WELL 11-A Rehabilitation Construction (11WS RCP23)	TBD	\$ 300,000	\$ 300,000	\$ -	\$ -	\$ 300,000			\$ 75,000	\$ 100,000	\$ 50,000	\$ 75,000					
Water Robate Program	In-House	\$ 250,000	\$ 250,000	\$ 65,692	\$ -	\$ 183,408	\$ 13,349	\$ 16,443	\$ 18,347	\$ 18,347	\$ 18,347	\$ 18,347	\$ 18,347	\$ 18,347	\$ 18,347	\$ 18,347	\$ 18,347
Garden Bar Study (10 WS PL-07)	RMC	\$ 40,000	\$ 40,000	\$ 39,849	\$ -	\$ 151		\$ 7,694	\$ 151								
Urban Water Management Plan (10 WS PL-06)	TBD	\$ 20,000	\$ 20,000	\$ 18,902	\$ -	\$ 1,098		\$ 18,902	\$ 519	\$ 519							
Minor Expenditures and Adjustments for Older Projects																	
Sub-Total Expenditures: Excluding Expensed P & L		\$ 3,485,000	\$ 3,039,283	\$ 1,420,045	\$ 172,480	\$ 2,346,136	\$ 158,483	\$ 74,654	\$ 228,393	\$ 306,860	\$ 258,341	\$ 433,341	\$ 388,341	\$ 324,741	\$ 218,341	\$ 168,341	\$ 168,341

Multiple year and budget project
Current year Budget and Project
Prior Year Projects
Projects Included in Expensed P & L

\$ 2,518,618

PALMDALE WATER DISTRICT

DEPARTMENT STATUS REPORT

September 2011

DATE: October 20, 2011
TO: BOARD OF DIRECTORS
FROM: Dennis D. LaMoreaux, General Manager

OPERATIONS

Peter Thompson II, Operations Manager

- Staff completed an in-house rebuild of a Waste Wash Water Return Pump.
- Staff engaged in over 200 hours of clean up and repair work in the wake of the flash flood that occurred at the treatment plant on September 10, 2011.
- Staff is testing adjusted operational settings for the 3900 tank. If successful, then these new settings will allow for the initiation of rehab work on that tank.
- The lab passed its inspection by the California Department of Public Health.
- The total production for September was 2113 Acre Feet. 51% was from surface water, and 49% was from groundwater. Of the surface water, 43% came from the State Water Project, and 57% came from Littlerock Reservoir. September 2011's production was down by 5.5% compared to August 2010's and is a 12.6% reduction when compared to the five year average for September.

HUMAN RESOURCES

Jeannie Burns, Human Resources Manager

- Coordinated recruitment process for Service Worker position in the Facilities Department. Recruitment for this position is due to an internal promotion that leaves this vacancy. Reviewed 53 applications and/or resumes and forwarded to Facilities Department management for the selection process. There were 353 hits to the District's employment section of the website. Selection of qualified candidates will be determined in the next couple of weeks.

- Facilitated Communications, Safety, and Safety Sub-Committee meetings. The focus of the Safety Committee was Heat Illness Prevention; the Safety Sub-Committee focused on confirming updated trainings: Confined Space, Rigging, Defensive Driving, AED, Trench & Shoring, and completion of the annual Business Plans. The Communications Committee focused on the final development and presentations to staff. Presentations are scheduled for all departments. The Employee Communications Plan will be distributed to all employees at these presentations.
- Worked with the American Red Cross and Cardiac Science to secure five Automated External Defibrillators for the District. Staff will be trained by the American Red Cross in terms of using them in emergent situations.
- Participated in the NeoGov Users Meeting focusing on additional enhancements to the NeoGov Performance Evaluation process. Each participant had an opportunity to present issues or concerns relative to the use of the Performance Evaluation system.
- Participated in the Emergency Response Team meeting with a focus on the role of team leaders and reporting of the Train the Trainer training. A Table Top exercise is scheduled for October 5, 2011. This exercise will also involve other groups experienced in emergency response planning and procedures.

ENGINEERING

Matt Knudson, Engineering Manager

- **Littlerock Dam Sediment Removal:** The District is scheduled to meet with United States Forest Service (USFS) staff and the District's environmental consultant (Aspen Environmental Group) in late October, 2011 to work towards finalizing the MOU/Agreement between the District and USFS. The District submitted said MOU to USFS several months ago, and we are trying to push them to finalize said MOU/Agreement. The MOU/Agreement will outline the responsibilities for both parties and also offers financial assistance from the District to help fund staffing from the USFS in order to keep this project moving forward.
- **Specification No. 0903 – 9th Street East and 12th Street East Water Main Replacement Status:** The contractor is scheduled to mobilize and start construction activity the week of October 24, 2011.

- **3600' Booster Station – Hydro-Pneumatic Tank Status:** The District continues to work on getting information proposals for a new hydro-pneumatic tank and is also looking into a location and design of a temporary storage tank that will allow us to take the hydro tank offline while the new hydro tank is installed.
- **Inter-tie with AVEK (Acton WTP) Status:** AVEK has submitted the preliminary design for PWD review, filed the Notice of Determination to comply with CEQA, and made the initial 50% payment towards the Capital Improvement Fee. PWD staff is scheduled to meet with AVEK and their design consultant in late October, 2011 to review and comment on the design. This project continues to make progress, and AVEK is scheduled to advertise the construction of this project by the end of this year.
- **Localized GAC Treatment – Underground Booster Station Status:** The Facilities Committee authorized staff to advertise for equipment procurement for this project, and the District will open bids for the proposed GAC Vessel in mid-November, 2012. Staff will present the proposals to the full Board for consideration in the near future.

FACILITIES

Tim Moore, Facilities Manager

- The Construction Crew repaired (63) mainline leaks and installed (8) ¾" & (3) 1" residential services lines.
- The Construction Crew started construction on the mainline replacement at 40th Street East and Avenue S-10 replacing 6" and 2" double dipped and wrapped steel main that was installed in 1957 and has had numerous leaks; installing 1,300 feet of 6" ductile iron pipe, (6) services, (1) fire hydrant, and (1) air-vac.
- The ongoing Valve Exercise Program, along with the Water Quality Flushing Program, is producing good chlorine residuals and low turbidity numbers in the field with the Air-Vac Maintenance Program achieving better function in our distribution system.
- Completed (8) pump and motor PM's (preventive maintenance) at well sites.
- The mechanics completed (28) vehicle repairs, (12) truck and trailer repairs, and (3) crane inspections and repairs.
- The Mechanics replaced a failed engine cooling water pump at Well 15 and replaced an HVAC system compressor (facilities building backyard).

INFORMATION TECHNOLOGY

Jim Stanton, Information Technology Manager

- The new web site continues to be at the top of my Top 5. In the month of September, we saw 6,801 visits. Of those, 5,234 were unique, first time, visitors; that equals approximately 50% of our visits being made by first time visitors. Statistically, this remains unchanged from last month. Over time, we expect to see those numbers reverse and see more returning visitors than new.

PWD customers stayed on the web site for an average of 1 minute 28 seconds before finding the information they needed, and they were able to access that information in an average of 1.99 page views. This data is consistent with the numbers we saw for July and August. Approximately 38% of that traffic is direct, a user has a favorite or enters the address in their browser, approximately 58% is referred by search engines, and approximately 4% is sent by other sites. Again, these numbers remain almost unchanged from July and August.

In the August Referring Sites page, Information Technology and Water Conservation observed a marked decrease in the number of people referred by avpress.com. Information Technology, working with Water Conservation, reinstated the AV Hot Site and Banner advertisements in the AV Press newspaper and on the avpress.com web site. This resulted in an increased number of referrals - 25 for August versus 49 for September, an increase of approximately 100%. This increase is directly attributed to the AV Hot Site and Banner advertisements. Detailed reports are attached.

- Network Infrastructure Upgrade Project – VPN testing was completed. IT Staff continue working with our vendor to replace the remaining infrastructure equipment. This project will continue through November.
- Telephone Project - Staff is working with the vendor on obtaining data for the implementation of the telephone project. Anticipate this project to continue through December.
- Cogsdale – Staff continues to work with Cogsdale support personnel on several support issues. Anticipate testing of CSM 2010 to continue through the near future.
- Email Statistics - The email filter reported processing 50,121 emails for the month of September. Out of that total, only 11,631 were processed and sent on to users (both internal and external) or only approximately 23% of all email was sent on.

WATER CONSERVATION

Claudette Roberts, Water Conservation Supervisor

▪ Monthly Number of Customers Applying for Rebates:

REBATES 2011	NUMBER PER MONTH												2011	2011 Paid out	2010- 2011 Pending
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Totals		
Cash for grass	8	5	20	17	5	10	3	10	10	2			90	38	81
Toilets	8	7	12	10	20	14	3	20	12	6			112		
Washing machines	8	10	11	12	18	13	5	10	10	7			104		
MP rotators	0	0	0	1	1	3	1	0	0	0			8		
Smart controllers	1	0	1	0	1	1		14	0	11			29		
HydroPoint Controllers	0	1	1	0	0	0	0	0	0	0			2		

- **Water News/Press Releases/Employee Newsletter:** The last Water News for this year went out in October. We have only been producing six issues per year for the last two years. We do send out the employee newsletter each month.
- **Tours and presentations to schools:** School has started, and PWD's school education program has been sent out to all the schools in the Palmdale School District. The educational program outlines tours, presentations and contests for the 2011/2012 school year.

The Conservation Department coordinates with other departments for additional public tours when there is a special occasion. These types of tours do not usually include school age children, and the District does not pay for transportation to the treatment plant unless otherwise decided and approved by the Board of Directors.

- **Events:** No events are scheduled until the first of the year
- **Water Use Calculations:** The Conservation Department has been inputting water use data on all rebate customers in order to analyze water use savings per customer per year, and total water use savings per rebate per year. Each customer has a water use sheet, and all data for each customer is then logged into an excel data base for analyzing water savings.

Customer Account Water Use History (in units):														
46-		Account No.				30452133		Lot Size	43,922.00		TOILETS			
Year		Month												
		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Yearly Average
2002								39	39	36	39	14	8	29
2003		7	12	10	16	10	34	31	26	32	32	15	10	20
2004		8	6	8	24	18	25	28	39	39	25	12	9	20
2005		8	7	5	15	12	26	38	32	29	19	13	9	18
2006		10	11	7	15	10	27	31	28	34	19	13	9	18
2007		8	10	10	13	15	22	42	20	28	14	17	12	18
2008		5	8	16	15	21	27	26	29	21	15	13	6	17
AVERAGE B/NEW RATE		8	9	9	16	14	27	34	30	31	23	14	9	19
2009		5	6	6	12	18	18	21	24	21	19	13	6	14
2010 Toilet installed		6	3	3	10	12	14	21	21	23	18	9	6	12
2011		4	4	3	8	12	14	18	16	10				10
2012														#DIV/0!
2013														
AVERAGE A/NEW RATE		5	4	4	10	14	15	20	23	22	19	11	6	13
Averages		6	7	8	14	15	23	29	29	29	23	13	8	17
Highs		10	12	16	24	21	34	42	39	39	39	17	12	25
Lows		4	3	3	8	10	14	18	21	21	15	9	6	11

FINANCE/CUSTOMER SERVICE
Michael Williams, Finance Manager

Finance:

- Completed the advertising and processing of unclaimed funds for 2011.
- Completed the balancing of Customer Refund Account and Accrued Purchases through August. Construction in Progress Account and Accounts Payable through June.
- Completed Inventory counts and reconciliation through 2nd Qtr.

- Began the transition to the new MyCalPERS web site for payroll reporting. There are continued issues with the web site and the ability to process.
- Continued work on the 2012 budget.
- Continued calculating and posting to customer accounts refund credits for tier adjustments. We have now completed June 2009 through December 2009. Totals through that period:

Totals	Bills	Refund
SFR	42,677	\$122,569.24
MFR	333	\$3,109.77
IRR	435	\$48,062.54
	43,445	\$173,741.55

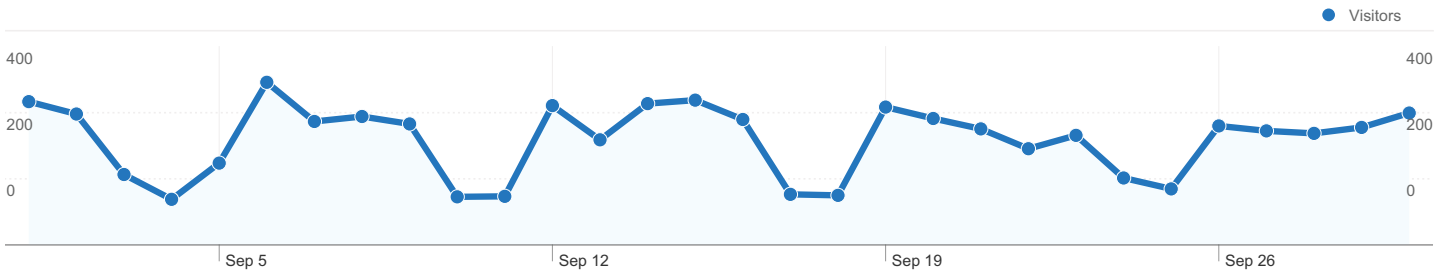
Customer Service:

- EBPP statistics as of 09/30/11: 7,128 registered, 2,519 or 35% paperless, and 736 or 10% Autopay.
- Processed 61 Leak Adjustment Applications with 14 applications denied.
- Issued 1,981 door tags and 211 Shut-Off notices. Processed 24,975 payments, 299 applications for service. Handled 4,982 customers over the phone and 6,184 at the counter.
- Replaced 62 Itron's, 77 Itron's/Register combinations, and 19 Registers only. Also replaced 90 stuck meters. Processed 1,157 Service Orders.
- Consecutive zero read commercial and multi-family accounts review discovered two commercial locations in which meters were not working properly. Meters have been repaired, and customers are being billed for non-working months based on estimates.

Visitors Overview

Sep 1, 2011 - Sep 30, 2011

Comparing to: Site



5,234 people visited this site

6,801 Visits

5,234 Absolute Unique Visitors

13,504 Pageviews

1.99 Average Pageviews

00:01:28 Time on Site

45.83% Bounce Rate

49.74% New Visits

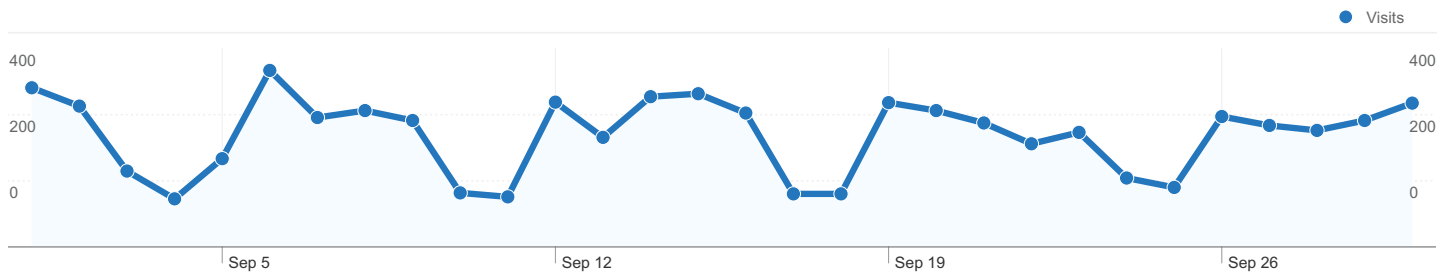
Technical Profile

Browser	Visits	% visits
Internet Explorer	4,012	58.99%
Firefox	1,137	16.72%
Safari	756	11.12%
Chrome	572	8.41%
Android Browser	227	3.34%

New vs. Returning

Sep 1, 2011 - Sep 30, 2011

Comparing to: Site























6,801 visits from 2 visitor types

Site Usage

Visits 6,801 % of Site Total: 100.00%	Pages/Visit 1.99 Site Avg: 1.99 (0.00%)	Avg. Time on Site 00:01:28 Site Avg: 00:01:28 (0.00%)	% New Visits 49.74% Site Avg: 49.74% (0.00%)	Bounce Rate 45.83% Site Avg: 45.83% (0.00%)
Visitor Type	Visits	Visits	Visits	
Returning Visitor	3,418	50.26%	<div> <div>49.74%</div> <div>50.26%</div> </div>	
New Visitor	3,383	49.74%		

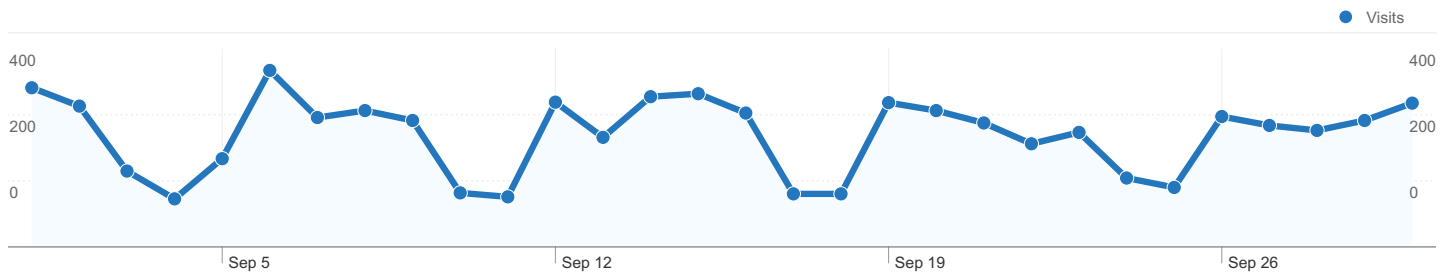
Most visits tracked: 1 pageviews

Pageviews in the visit	Visits with this many pageviews	Percentage of all visits
1 pageviews	3,117.00	 45.83%
2 pageviews	2,572.00	 37.82%
3 pageviews	499.00	 7.34%
4 pageviews	260.00	 3.82%
5 pageviews	128.00	 1.88%
6 pageviews	70.00	 1.03%
7 pageviews	42.00	 0.62%
8 pageviews	24.00	 0.35%
9 pageviews	23.00	 0.34%
10 pageviews	15.00	 0.22%
11 pageviews	11.00	 0.16%
12 pageviews	7.00	 0.10%
13 pageviews	3.00	 0.04%
14 pageviews	9.00	 0.13%
15 pageviews	3.00	 0.04%
16 pageviews	2.00	 0.03%
17 pageviews	2.00	 0.03%
18 pageviews	4.00	 0.06%
19 pageviews	2.00	 0.03%
20+ pageviews	8.00	 0.12%

Traffic Sources Overview

Sep 1, 2011 - Sep 30, 2011

Comparing to: Site

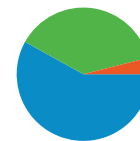


All traffic sources sent a total of 6,801 visits

37.98% Direct Traffic

3.96% Referring Sites

58.06% Search Engines



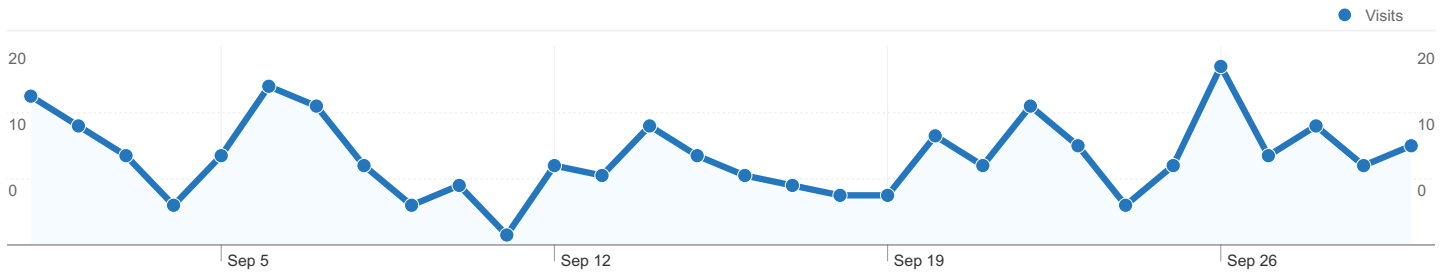
■ Search Engines
3,949.00 (58.06%)

■ Direct Traffic
2,583.00 (37.98%)

■ Referring Sites
269.00 (3.96%)

Top Traffic Sources

Sources	Visits	% visits	Keywords	Visits	% visits
google (organic)	2,591	38.10%	palmdale water district	1,973	49.96%
(direct) ((none))	2,583	37.98%	palmdale water	622	15.75%
yahoo (organic)	745	10.95%	www.palmdalewater.org	233	5.90%
bing (organic)	454	6.68%	palmdalewater.org	117	2.96%
search (organic)	70	1.03%	palmdale water company	46	1.16%



Referring sites sent 269 visits via 58 sources

Site Usage

Visits 269 % of Site Total: 3.96%	Pages/Visit 2.15 Site Avg: 1.99 (8.21%)	Avg. Time on Site 00:02:20 Site Avg: 00:01:28 (58.64%)	% New Visits 53.16% Site Avg: 49.74% (6.87%)	Bounce Rate 47.58% Site Avg: 45.83% (3.82%)		
Source	Visits	Pages/Visit	Avg. Time on Site	% New Visits	Bounce Rate	
avpress.com	49	1.76	00:00:53	81.63%	63.27%	
cityofpalmdale.org	42	2.79	00:04:55	52.38%	30.95%	
search.mywebsearch.com	29	2.48	00:01:53	51.72%	27.59%	
google.com	26	1.46	00:00:50	57.69%	69.23%	
toolbar.inbox.com	16	1.88	00:02:46	6.25%	50.00%	
agency.governmentjobs.com	9	1.22	00:00:01	0.00%	77.78%	
facebook.com	8	2.62	00:00:39	50.00%	37.50%	
utilityconnection.com	8	1.75	00:06:35	62.50%	50.00%	
library.ucr.edu	6	3.33	00:11:34	66.67%	33.33%	
avswca.org	5	2.20	00:00:17	0.00%	0.00%	

1 - 10 of 58



Email Analysis

Reporting previous month for mxmail.palmdalewater.org

Reporting From: Thu Sep 01 2011

To: Sat Oct 01 2011

Report Generated: Sat Oct 01 2011

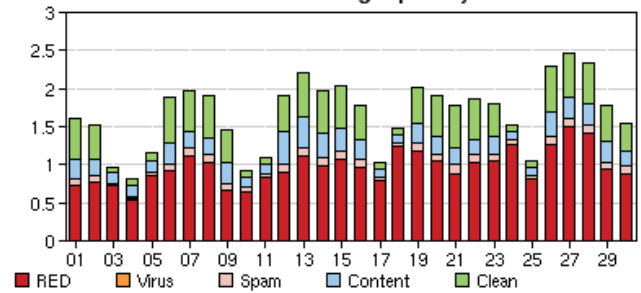
Inbound Message Summary

Message Classification



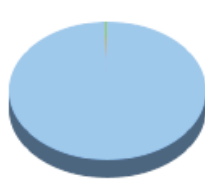
RED:	29191
Detected Spam:	2498
Content Filters:	6799
Detected Viruses:	2
Clean:	11631
Total:	50121

Thousands of Messages per Day



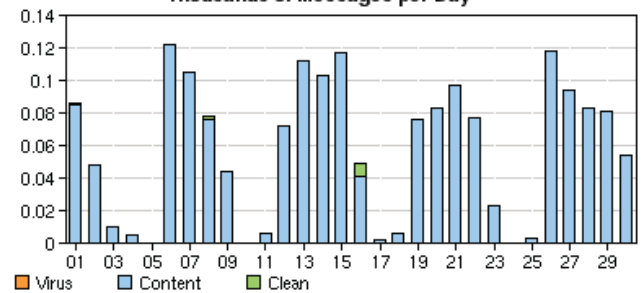
Outbound Message Analysis

Message Classification



Content Filters:	1743
Detected Viruses:	0
Clean:	11
Total:	1754

Thousands of Messages per Day



Inbound Analysis Details and Recipient Actions

Analysis Details



Clean:	11631
PBMF:	6631
Probably Spam:	1087
Certainly Spam:	838
Maybe Spam:	573
OCF:	168
Virus - Kaspersky:	2
Total:	20930

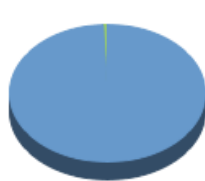
Applied Recipient Actions



Pass:	11629
Subject Modified:	1087
Reject:	970
Just Log:	575
Quarantined:	168
Total:	14429

Outbound Analysis Details and Recipient Actions

Analysis Details



PBMF:	1741
Clean:	11
OCF:	2
Total:	1754

Applied Recipient Actions



Pass:	11
Quarantined:	2
Total:	13